

JPRS-WER-84-080

28 June 1984

# West Europe Report

**FBIS** FOREIGN BROADCAST INFORMATION SERVICE

## NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [ ] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

## PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

28 June 1984

## WEST EUROPE REPORT

## CONTENTS

## ARMS CONTROL

## DENMARK

- Security Council Funds for UN Disarmament Campaign  
(BERLINGSKE TIDENDE, 13 Jun 84) ..... 1

## DENMARK/GREENLAND

- Sorsunnata Peace Group Stressing 'Nuclear-Free Arctic'  
(GRONLANDSPOSTEN, 11 Apr 84; LAND OG FOLK, 21-22 Apr 84) ..... 2
- Petition Campaign Underway  
First National Congress Scheduled, Sren Basmussen

## POLITICAL

## DENMARK

- Latest Poll Shows Progressives Declining Toward Threshold  
(Lisbeth Knudsen; BERLINGSKE TIDENDE, 3 Jun 84) ..... 5
- Poll Finds Surprising Support for EC Among Youth  
(Lisbeth Knudsen; BERLINGSKE TIDENDE, 13 Jun 84) ..... 7

## DENMARK/GREENLAND

- Political Climate, Economic Situation Becoming More Tense  
(Victor Andersen; BERLINGSKE AFTEN, 1-7 Jun 84) ..... 9

## FINLAND

- Swedish Party Makes Overture To Cooperate With Greens  
(HELSINGIN SANOMAT, 3 Jun 84) ..... 12
- Liberals Hold Congress, Elect New Leadership  
(HELSINGIN SANOMAT, 3 Jun 84) ..... 13

## GREECE

Reasons for Not Having Euro, National Elections Simultaneously (ETHNOS TIS KYRIAKIS, 27 May 84) .....	14
--	----

## NETHERLANDS

Labor Party's Alders as Possible Den Uyl Successor (Hans Alders Interview; DE TIJD, 25 May 84) .....	17
---	----

## NORWAY

Poll Finds Growing Dissatisfaction With Willoch Cabinet (Alf Seeland; AFTENPOSTEN, 5 Jun 84) .....	25
Voter Stability Poll Indicates Losses for Conservatives (AFTENPOSTEN, 4 Jun 84) .....	28
Socialist Left Party in Midst of Personality Fight (Ole Johan Nilsen; AFTENPOSTEN, 2 Jun 84) .....	30
Ex-Foreign Minister Frydenlund in Security Debate Role (Terje Svabo; AFTENPOSTEN, 2 Jun 84) .....	32
Socialist Left Party Suffers Setback in Storting Arms Debate (Pal Nordenborg; ARBEIDERBLADET, 25 May 84) .....	35

## SWEDEN

Paper Applauds Westerberg's First Foreign Policy Speech (Tore Winqvist; DAGENS NYHETER, 30 May 84) .....	37
Conservatives Under Adelson Appear To Be on Decline (Editorial; DAGENS NYHETER, 27 May 84) .....	39
Briefs	
Increased Aid to SWAPO	41
Socialist Youth: Protest to Poland	41

## TURKEY

Barlas on Threat to Turkey of Widening Gulf War (Mehmet Barlas; MILLIYET, 23 May 84) .....	42
---	----

## MILITARY

## FINLAND

Coast Guard Hunts for Submarine in Aland Islands Waters (HELSINGIN SANOMAT, 9 Jun 84) .....	44
--	----



## GREECE

### Briefs

Army Newspaper Policy

45

## ECONOMIC

### EUROPEAN AFFAIRS

Structural Change Stirs Union Defensiveness, Rigidity

(Ralf Dahrendorf; DIE ZEIT, 18 May 84) ..... 46

### DENMARK

Industry Needs Continued Investment Increases

(Editorial; BERLINGSKE TIDENDE, 28 May 84) ..... 51

Hope Whisper Electric Car To Be Produced Also in Ghana

(Brian Johnck Haure; BERLINGSKE TIDENDE, 1 Jun 84) ..... 53

Firms Trading With Iraq Affected by Export Credit Restrictions

(INFORMATION, 22 May 84) ..... 55

Economic Advisers Council Warns of Continued Agricultural Crisis

(Brian Johnck Haure; BERLINGSKE TIDENDE, 29 May 84) ..... 56

Finance Minister Trying To Wean Industry From Subsidies

(Rolf Geckler; BERLINGSKE AFTEN, 1-7 Jun 84) ..... 60

### FINLAND

Private Institute Forecasts Slowed Growth in Bloc Trade

(HELSINGIN SANOMAT, 6 Jun 84) ..... 66

### FRANCE

Study Shows Pessimism About Rise in Standards of Living

(LES ECHOS, 18 May 84) ..... 68

Statistical Institute's Scenarios for 1987-88 Unemployment

(LES ECHOS, 14 May 84) ..... 70

### SWEDEN

Country's Shipyards Rebounding After Restructuring

(Olle Rossander; DAGENS NYHETER, 28 May 84) ..... 72

### TURKEY

Investigation Into Ziraat Bankasi Irregularities

(DUNYA, 29 May 84) ..... 76

Preparations Complete for Istanbul Stock Exchange (TERCUMAN, 29 May 84) .....	78
Ozal's Baghdad Talks Focus on Economics, Oil, Gulf War (CUMHURIYET, 30 May 84) .....	80
Economic Reform Stresses Austerity First, Upswing Later (Gerd Hoehler; VORWAERTS, 26 Apr 84) .....	83

## ENERGY

### NORWAY

Government, Labor Party Agree on Overseas Role for Statoil (Morten Malmø; AFTENPOSTEN, 8 Jun 84) .....	86
Energy Minister Urges Stepped-Up Gas Field Development (Morten Malmø; AFTENPOSTEN, 8 Jun 84) .....	87
Government, Labor Party Agree on Oil Policy Compromise (Morten Malmø; AFTENPOSTEN, 7 Jun 84) .....	89

## SECURITY COUNCIL FUNDS FOR UN DISARMAMENT CAMPAIGN

Copenhagen BERLINGSKE TIDENDE in Danish 13 Jun 84 p 2

[Article: "SNU [Security and Disarmament Committee] Paying for Denmark's UN Disarmament Campaign"]

[Text] Denmark's contribution to the UN world disarmament campaign will be paid for by information and research funds from the government's Security and Disarmament Committee, SNU, because the Foreign Ministry is short of funds, among other reasons.

But the granting of 250,000 kroner, which is Denmark's total contribution, is neither an expression of a new appropriation breakthrough nor a greater political dependence by the government, according to a director of SNU, Professor Bjarne Norretranders.

Yesterday SNU presented its third annual report at a press conference. The committee has spent 1.6 million kroner on information and research projects. Among the grants is 50,000 kroner for a special capital fund for the International Institute for Strategic Studies in London. Among the different recipients of grants are organizations such as The Atlantic Coalition, Defense of Denmark, The International Center of the Labor Movement, Society for War Science, No to Nuclear Weapons, The Pugwash Movement, The UN Association and the Foreign Policy Association.

The chairman of SNU, Ambassador Kjeld Mortensen, said at Tuesday's press conference, that the future activities of the committee will be concentrated among other things on the North Atlantic area, including problems related to Greenland and the Faeroes. The concept of crisis control is another of the subjects which will be taken up. In connection with its new tasks, SNU will change its previous working methods to bring in more members of the committee who do not sit in the leadership, but who are represented in the political parties and the research.

9287

CSO: 3613/180

## SORSUNNATA PEACE GROUP STRESSING 'NUCLEAR-FREE ARCTIC'

## Petition Campaign Underway

Godthaab GRONLANDSPOSTEN in Danish 11 Apr 84 p 19

[Text] Greenland's peace movement "Sorsunnata" is irritated that Greenland has not been included in the geographical area which peace movements in the Nordic countries wish to remain free from nuclear weapons. The boundary for a Nordic nuclear-free zone goes somewhere between Iceland and Greenland. One can rightfully ask why Greenland is not included, especially now, when Greenland has become a member of the Nordic Council.

However, this has now resulted in Greenlandic peace movement having begun a campaign to work for a treaty that establishes a nuclear-free zone in the Arctic and the Nordic areas. The campaign is in part on informational effort, but it has the objective of collecting signatures for a petition. "Sorsunnata" hopes to get as many as possible to sign the petition for a nuclear-free zone in the Nordic countries and the Arctic. The movement plans to present this petition to the Danish foreign minister this summer.

The collection of signatures is, however, more than just a campaign. It is also a way of measuring where Greenland's population stands in regard to the peace movement and the demilitarization of the entire Arctic as the International Inuit-organization (ICC) [Inuit Circumpolar Conference] wishes. That is why Sorsunnata stresses that it is important that people, who feel strongly about making a part of the world a nuclear-free zone, sign this petition.

Sorsunnata has three peace groups in Greenland, in Aasiaat, Ilulisat and in Qasigiannnguit. In addition, the movement sponsors a number of peace activities in a number of towns and settlements. All of these towns and settlements have received petitions which can be signed, and the movement has asked local party groups and branches of Greenlandic Labor Union Locals to help get people to sign. All local television and radio associations have been informed of the campaign, as the movement also will make TV and radio programs about the campaign.

The peace group in Qasigiannnguit sponsors this campaign. The group consists of: Ole Grnvold, Baltser Andersen, Niels Olsvig, Karno Rimer,

Kerte Jeremiassen and Manna Lange. They report that petitions have been sent to town councils, to a number of Siumut branches, to SIK locals, to contact persons and members of TV associations, to KNR [Greenland Broadcasting Company], the local papers, national newspapers and to the ICC.

#### First National Congress Scheduled

Copenhagen LAND OG FOLK in Danish 21-22 Apr 84 p 6

[Article by Sren Basnussen: "Strength of Greenland's Peace Movement Increasing"]

[Text] Less than a year after the formation of the first peace group in Greenland, there is today a whole network of peace groups and contact persons all over the country. The peace movement in Greenland will hold its first national congress in connection with the annual Assivik meeting, and simultaneously it will publish the book "Greenland and Peace". The peace groups in Greenland call their movement Sorsunnata, which means "not war."

#### First National Congress

Since the creation of the first peace groups on Greenland in Qasigiannuit/Christianshab on 1 May last year, other groups have been formed in Asiaat/Egedesminde and in Ilulissat/Jakobshavn--and a network of contact persons has been established in a number of towns and settlements. The first activity has been to collect signatures on a petition for a nuclear-free zone in the Arctic and the Nordic countries.

Sorsunnata will hold its first national congress in Qasigiannuit/Christianshab 23-24 July, immediately after the Assivik cultural meeting, which this year takes place in at an old deserted town nearby. The main theme for the congress will be Greenland's role in the nuclear strategy, and Baltser Andersen from Sorsunnatas action group tells LAND OG FOLK that a number of Greenlandic organizations, as well as Nordic peace and environmental groups have been invited as guests.

"And of course we extend an invitation to the International Inuit-organization (ICC), which also is working for a nuclear-free Arctic," says Baltser Andersen. "The distances are great and travel expenses almost prohibitive, but with the Inuit cultural meeting there is an opportunity to gather interested people from all of Greenland. Until now we have been operating with a self-appointed action group, but with the national congress this movement will become broader and more important. We hope to undertake a work program for 1984/85 and elect an executive committee with greater geographical coverage," says Baltser Andersen.

#### Greenland's Peace Book

Since last fall the peace group in Qasigiannnguit/Christianshab has been involved in a studies group with 15 members, and the experiences and materials from this are now to be published in a book. The peace groups received 5,000 kroner earlier from the government for their information activities and they are now investigating the possibilities for support to publish the book about "Greenland and Peace."

"The debate in Greenland about peace has become much more intense lately, and we notice a growing interest for participation in the peace movement. That is why it is so important that we share our experiences and results from our oldest peace groups to all others on Greenland who are interested," says Baltser Andersen.

The first Greenlandic peace book will in part contain a general survey of the rearmament and disarmament problems in relation to Greenland's strategic role, and in part a number of proposals for concrete activities that people in Greenland's peace groups can participate in.

The text of the book will be both in Greenlandic and Danish and it is expected to be published in connection with Sorsunnata's national congress in July.

9349

CSO: 3613/150

## LATEST POLL SHOWS PROGRESSIVES DECLINING TOWARD THRESHOLD

Copenhagen BERLINGSKE TIDENDE in Danish 3 Jun 84 p 1

[Article by Lisbeth Knudsen: "Poll Shows Progressive Party Near Cutoff Line"]

[Text] The relative strengths of the parties will not be changed much by the EC parliamentary election in 11 days, if the voting follows domestic political lines.

This was shown by the latest Gallup poll for May, in which the government parties together with the Radical Liberal Party [RV] received 87 seats, or exactly the same as they have now--not counting the North Atlantic seats.

Within the government parties, the Conservative Party [KF] would gain 2 seats in the Folketing, while the Center Democrats [CD] and Christian People's Party [KRF] would each lose one, and the Liberal Party [V] would remain unchanged. Compared to the Gallup poll for April, a slight decline could be detected for KF, and a gain for V. Also CD and KRF gained slightly.

The Social Democrat Party [S] would gain 2 seats if an election were held now, and it appears that the results of the May poll are unchanged when compared with the April poll. The Socialist People's Party [SF] would gain one seat, and the Left-Socialist Party [VS] would lose one.

The Progressive Party [FP], which with the exception of a slight fluctuation in April has had steadily declining voter support since the election, is now only 0.2 percent from the cutoff line for representation in the Folketing.

The Gallup poll for May was taken during the period 5-21 May.

Listed below is the allocation of seats based on the Gallup poll and without counting the two members from the Faeroes and the two from Greenland:

<u>Party</u>	<u>Gallup</u>	<u>Now</u>
S	58	56
R [Single-Tax Party]	10	10
K	44	42
SF	22	21
CD	7	8
KRF	4	5
V	22	22
VS	4	5
FRP	4	5
FD [Free Democrats]	0	1

9287

CS0: 3613/180



## POLL FINDS SURPRISING SUPPORT FOR EC AMONG YOUTH

Copenhagen BERLINGSKE TIDENDE in Danish 13 Jun 84 p 1

[Article by Lisbeth Knudsen: "Gallup Poll Shows 75 Percent of Youths 15-17 Favor EC"]

[Text] Almost 3 of every 4 youths 15-17 who have not yet voted in the EC parliamentary election on Thursday are supporters of EC. A majority of the young voters in both the nonsocialist parties and the Social Democrats favor the EC, according to the Gallup poll, and the Conservative Youth have conducted their own poll. A combined poll of the attitudes of youth toward the EC shows almost a dead heat between supporters and opponents.

Almost 3 of every 4 youths between 15-17 who have not voted in Thursday's EC parliamentary election are supporters of the EC. A poll of attitudes of youth toward EC shows almost a dead heat between the supporters and the opponents.

At the Gallup Institute the Conservative Youths conducted a poll of the attitudes of youth toward the EC in connection with a broader youth poll.

Today BERLINGSKE can publish the results which show that among the youths, 31 percent are in favor of and 32 percent are against Danish membership in the EC. However 37 percent have no opinion.

The poll is based on 893 individuals in the age group 15-30.

Among the 15-17 age group, 73 percent favor EC and 27 percent are opposed. Among the 18-19 age group the figures are 58 percent in favor and 42 percent opposed. Among the 20-24 age group, 41 percent are in favor and 59 percent are opposed, and among the 25-29 age group the attitudes are 44 percent in favor and 56 percent opposed.

The division among the parties shows that there is a majority for the EC among all the nonsocialist parties, and among young social democratic voters.

It is surprising that among the very EC-favorable Center Democrats, 36 percent of the youths favor and 27 percent oppose EC.

In the Socialist People's Party, which opposes EC, 70 percent oppose EC and 7 percent favor it among the young voters.

The Gallup poll asked the question which areas of EC cooperation the youths believed should be strengthened. Twenty-three percent had no opinion.

From the remainder of responders, 57 percent desired greater cooperation in fighting unemployment and 42 percent favored cooperation in fighting pollution.

Sixteen percent mentioned foreign policy and education policy, and only 12 percent mentioned defense policy and social policy.

9287

CSO: 3613/180

## POLITICAL CLIMATE, ECONOMIC SITUATION BECOMING MORE TENSE

Copenhagen BERLINGSKE AFTEN in Danish 1-7 Jun 84 pp 1, 12

[Article by Victor Andersen]

[Excerpts] There are three political expressions of abuse of the worst type in Greenland. They are G 60, Anker Jørgensen, and Tom Høyem.

G 60, because, in 1960, a report by that name more or less demanded the population of free whalers and sealers to be concentrated in high-rise apartment buildings in four towns.

Anker Jørgensen, because, in 1977, he told the Greenland population pointblank that they did not own the raw materials of the Greenland underground themselves. "There is nothing to cast dice for," he said, as a result of which he was bombarded with eggs and had the windshield of his boat broken. He has not shown up in Greenland since then.

Tom Høyem, because his personality is quite different from that of the Greenland leaders. And now--on the eve of the elections to the local Greenland parliament next week and prior to the great liberation from the EC, which will take place at the New Year--he is, apparently, trampling further on their feelings. WEEKEND-AVISEN [weekend edition of BERLINGSKE TIDENDE] has thus learned that Tom Høyem is arranging the closing down of three important Greenland enterprises by way of a christening present to the new Greenland which is emerging out of the haze of Europe.

It is a question of Nuuk/Godthåb's Fiske Industry (GFI) [Godthåb Fish Processing Enterprise], which has 130 employees. Only Queen Ingrid's Hospital in Godthåb has a larger staff in the capital of Greenland.

It is, moreover, a question of the fish smoke-curing enterprise of Bujoq, which is also located at Nuuk/Godthåb. The minister, moreover, expects the cooperative fish processing enterprise of Avataq at Qaqortoq/Julianehåb to be forced to close down soon. These, he says, are all of the minor disasters.

## Courage of Minister

All three enterprises are in extremely serious financial difficulties, the main reason being a lack of raw materials. Godthåb Fiske Industry owes the state

upwards of 20 million kroner through Den Kongelige Grønlandske Handel (KGH) [The Greenland Trade Department]. On behalf of the Danish state, Torben Hede Pedersen, chief administrative officer, has granted large subsidies to Bujoq. Most of these funds must be considered lost, and Tom Høyem now wants to put a stop to further grants, although Godthåb's Fiske Industry (GFI) has begged for an emergency grant of 3 million kroner.

The said closures will be taking place even if the home rule government as of the New Year will be taking over all of the production and export of Den Kongelige Grønlandske Handel (KGH). Will the home rule government then not feel it like a hit in the wind that Godthåb's largest enterprise will be closed down shortly before that date? What a cruel minister!

Indeed, that is the way it looks on the face of it. Tom Høyem himself has a different explanation. He claims that it would on the contrary be a liability to the home rule government if it were to start its new life as the one in charge of all production and export with these enterprises in financial distress. "Although I am no courageous person," he says, "I have pulled myself together to take this step which will benefit Greenland."

Experts behind the scenes agree with the minister. The fact that Godthåb Fiske Industry will now be compelled to file a petition in bankruptcy does not, of course, mean that the plants will disappear. The creditors--Faroese and Danish fishermen, Kryolitselskabet [the Cryolite Company], and Den Kongelige Grønlandske Handel (KGH)--will have to write off their outstanding claims. After that, the home rule government will step in, unburdened by debt.

In still another context, the minister appears as the true friend of Greenland in the area of internal grants. This time he is spending money. For while the Ministry of Defense wants to close down the Mestervig Airport, he is putting his foot down toward the government in an effort to keep it open--for the benefit of visitors to the Natural Park of North East Greenland and of the local population of Illoqqortoormiut/Scoresbysund.

They Are Waiting for Karl Marx

A Dane who is present at an election meeting in the Greenland language, naturally, misses many nuances. It is a good thing to apply a rule-of-the-thumb to the attitudes of the Greenland parties to Danes. It says about Atassut: "We are related." About Siumut: "We tolerate you." About Inuit: "Go home."

One thing one does, indeed, sense is that Greenlanders are funny and vigorous speakers. There is an enormous applause.

One of the major issues of the election contest is alcohol abuse. There is only soda on the table of the panel. Nobody supports a reintroduction of alcohol rationing. However, the majority supports an arrangement similar to the one introduced in the Faroe Islands--one has to pay one's rent, power and water bills before being able to buy liquor.

The major social problem at the moment is the housing situation. Everybody supports increased, subsidized housing construction.

The introduction of a progressive system of taxation is discussed. However, without fervor. A former revolutionary such as Moses Olsen of Siumut tells WEEKENDAVISEN frankly that a progressive system of taxation is a bad idea in a country which is in the process of development. It takes the desire to work away from people. "Call it a capitalist viewpoint, if you like," he says. "That is just the way it is."

On the whole, Moses Olsen has become a pragmatist. He compares the three Greenland parties to a group of mountain climbers. Atassut sits down in front of the mountain, waiting for EC subsidies for the climb. Inuit does not want to start climbing the mountain until Karl Marx' "The Capital" has been translated into the Greenland language. Siumut starts building a staircase. "It becomes warped but strong, and something is happening," says Moses, who obviously intends to take action himself rather than having the mountain coming to him.

One subject is hardly discussed. That subject is the take-over by the home-rule government, which is only 5 years old, of even more functions from Denmark as of the New Year. The areas of cultural activities, ecclesiastical affairs and social affairs have already been transferred to Greenland. As of the New Year, the production and export of the KGH [Greenland Trade Department] will follow, in 1990 the housing policy department, in 1995 the remainder of the activities of the KGH and in the year 2000 the public health sector.

The take-over of production and export will coincide with Greenland's withdrawal from the EC. The combination of these two things will pose vast problems to the home rule government. At present, the production of the KGH gives a deficit of 90 million kroner, paid for by the Danish treasury. What will the home rule government do?

The subject is hardly touched upon in the electoral meetings. However, if asked directly, the Greenland politicians come out in the open on the subject. Lars Chemnitz: "We ought to have waited for still some years." Moses Olsen: "We will have the local fishermen, workers and municipal board members run the individual factories. They know when the fish arrives. Copenhagen did not. I feel confident that the enterprises will be in a position to create an equilibrium between their incomes and expenditures, that they may even have a small surplus so that we may set up a mini ØD [Economic Democracy]. The export sector will also fare better. For once we are in charge ourselves, the quality of our goods will improve."

At present, the Danish state pays a subsidy of 170 kroner for each seal that is shot. Will the home rule government mix social and industrial policies in the same way? Yes, it will. However, both Moses Olsen and Otto Stenholdt want to adapt the amount paid to the quality of the sealskin, including the preparation of the skin which has taken place in the kitchen of the wife of the sealer.

Moses Olsen makes a sign with his hand as if firing a gun: "We want to get away from the practice employed during the Danish rule, that as long as one has hit a seal one gets the full price. We have got to become more competent."

## SWEDISH PARTY MAKES OVERTURE TO COOPERATE WITH GREENS

Helsinki HELSINGIN SANOMAT in Finnish 3 Jun 84 p 3

[Unsigned article: "Offer of Cooperation From RKP to Greens"]

[Text] Mustasaari (HELSINGIN SANOMAT)--Chairman Par Stenback of the RKP [Swedish People's Party] welcomes the Green delegates elected in the autumn municipal elections to collaborate in the RKP's city council groups.

"We do not consider the Greens antagonists, and we believe that the most fruitful cooperation with them can be brought about within the Swedish city council groups," said Stenback in his speech at the RKP's party congress in Mustasaari.

According to Stenback the RKP does not intend to declare itself the opportunistic "basically Green party," because that would be deceit. On the other hand, it is possible for the Green delegates to influence the RKP's groups, but only from within, Stenback stressed.

Those attending the RKP congress were also given a talk on environmental problems as the driving force of the Green movement.

The key issue was acid rain; several speakers insisted on fighting its destructive effects. One speaker even brought a plastic bag of acid rain to the speaker's rostrum to scare the daylights out of those attending the congress.

12327

CSO: 3617/177

## LIBERALS HOLD CONGRESS, ELECT NEW LEADERSHIP

Helsinki HELSINGIN SANOMAT in Finnish 3 Jun 84 p 3

[Unsigned article: "Lallukka on Way to Top of LKP"]

[Text] Jyvaskyla (HELSINGIN SANOMAT)--Vantaa city councilman Kyosti Lallukka, 40, will become the new chairman of the center party's member organization, the Liberal People's Party.

As the party congress of the LKP [Liberal People's Party] began on Saturday in Jyvaskyla, at least two-thirds of the congress delegates were figured to support Lallukka. His rival, current deputy chairman Terhi Nieminen-Makynen, 37, already weighed abandoning the leadership contest. Nieminen-Makynen might become the new chairman of the Liberals' party council.

Lallukka has aspired to the post of chairman as well as the office of president. All during the spring he has gone around the country to the LKP's party divisions and has even had a statement about himself printed. As a counter-move, Nieminen-Makynen has been on a diet to lose 12 kilograms.

Arne Berner, 56, who led the Liberals for 2 years, is relinquishing the tasks of chairman. He defeated Nieminen-Makynen 2 years ago by a vote of 134 to 39. The new party leadership will be elected on Sunday, when the Liberals will also get a new party platform.

12327

CSO: 3617/177

## REASONS FOR NOT HAVING EURO, NATIONAL ELECTIONS SIMULTANEOUSLY

Athens ETHNOS TIS KYRIAKIS in Greek 27 May 74 p 9

[Excerpts] Reannointed and restored by a gigantic congress, which he dominated with unchallenged leadership and being all-powerful in the party, with a Euro-election ticket that shows not only a democratic variety of views, but also a democratic coalition, Mr. Papandreou marches towards the Euro-elections with assuredness and self-confidence--an assuredness and self-confidence he did not have 1 or 2 months ago.

Now that no party is going to suffer or profit, the question has been raised: Why wasn't the simultaneous scheduling of European and national elections decided so that Mr. Papandreou, after his reannointing by the party, might also have sought that of the people in order to make and implement great decisions?

This matter kept the government very busy in January and February and even busier during the first weeks in March.

This is a matter of fact. In an early conference in March of top party and government officials to discuss the subject of the Euro-elections, under Mr. Papandreou's chairmanship, those for and against simultaneous elections presented their arguments in a sufficiently clear manner. According to cross-checked information, those taking a position in favor of simultaneous elections were Messrs. Koutsogiorgas and Pottakis (and Mr. Simitis to a lesser degree); those against simultaneous elections were Messrs. Gennimatas (more) and Tsokhatzopoulos (less), while Mr. Lazaris said that there was no way to discuss simultaneous elections without the previous assurance of the president's consent, and Mr. Arsenis studiously avoided taking a position. (Naturally, Mr. Papandreou limited himself to listening to the views of others without expressing his own.)

Those who took positions in favor of the simultaneous holding of elections based their views and positions on the following points:

If the government decides to hold the European and national elections simultaneously, it will be able to secure the consent of the president of the republic because it has a strong appeal--of the sort that move Mr. Karamanlis particularly: that, beginning the day after the Euro-elections, the country will enter into another, longer (17 months) preelectoral period, which the extremely insecure Greek economy cannot withstand. Therefore, does not the probable refusal of the president constitute a serious point?



Should the government decide to hold the Euro-elections first, it will be forced to show up in the preelectoral arena without a clear slogan about the EEC--at the same time that the KKE will be proclaiming, in a cut and dry way, "Out of the EEC!" and the New Democracy will be shouting, "Long live Europe!" In this case, PASOK has the following possibilities:

Either to say, "Down with the EEC!" ruining its good relations with Brussels and the president, but pleasing the Left;

Or to say, "Long live the EEC!" ruining its good relations with the Left, but pleasing the centrists and the European Unity proponents;

Or not to say anything about the EEC and wage the preelectoral battle on the burning domestic issues, a fact that presupposes the simultaneous holding of national elections.

The government must go ahead with the simultaneous holding of elections on 17 June because there would never be a more favorable climate than the present one for PASOK in the foreseeable future. (They explained that this favorable climate was created by the recent raises, the ATA [Automatic Cost of Living Readjustment], the slight drop in inflation, better farm product prices, the repercussions of the party congress, etc., while, as time goes by, everything will get worse.)

The government must go ahead with the simultaneous holding of elections now--that is on 17 June--because in the intervening time, the KKE (even if it so wished) will not have the time to plot a new course vis-a-vis PASOK, while the New Democracy will not have the time to regroup and seriously threaten the Movement because it is facing a leadership crisis, not only at the leader level, but on that of the deputy leaders and staff--as well as on the ideological and political levels--in contrast with PASOK, which can credibly cover the entire, wide spectrum of the Center-Left. Therefore, the simultaneous holding of elections will contain the element of surprise.

The government must go ahead with the simultaneous holding of elections so that--reannointed--it can have the possibility as of 18 June to make all the necessary, weighty decisions (of a political, social, economic and cultural nature) without being forced to consider in advance the political price of this or that decision--a consideration, which, naturally, damages both PASOK and the country.

The government must proceed with the simultaneous holding of elections in order to assure its reelection, to break the international trend, which sees socialist governments as short intervals between long-term conservative administrations, and thus to play a more substantial role in the international socialist and progressive field. And the final point:

The government must proceed with holding simultaneous elections on 17 June in order not to pay the consequences--negative in every way--of the 17-month long preelectoral period that will begin the day after the Euro-elections and which, more or less, will further slow down the already slack administrative machinery at the expense, of course, of the national economy.

Those who opposed the simultaneous holding of elections need more slogans than points. First of all, their contention about an eventual refusal by the president constitutes a likelihood and not a point. Their other contentions then are:

That the Chamber of Deputies (and the government) must complete their terms;

That if the 4-year term has not been completed, the work of the administration will not be evident;

That the Movement must complete all of its terms;

That the simultaneous holding of elections will show the weakness of the Movement; and

That the simultaneous holding of elections constitutes a great risk, for no reason, that it consists more of aphorisms and slogans and less of contentions--demonstrative of political control.

Until the middle of March it was the general impression that the issue of the simultaneous elections occupied Mr. Papandreou very much, that the contentions in favor had almost convinced him and he was trying to find the way and the time to present the matter to the president. This impression was so deep that up until 16 May there were government officials who did not exclude the simultaneous holding of elections.

When 17 May went by and when the European elections ticket was announced, many began asking themselves: What brought about the change in the scenario? What was it that convinced Mr. Papandreou that he can stand up against the New Democracy by fighting the battle, not on the EEC field, but on the domestic one?

But why do they question themselves?

The answer has been known for quite a while. Known and written about in all the newspapers: Precisely when Mr. Papandreou was worrying about finding the ways or to convince the president about simultaneous elections or to find a "line of political comparison" away from the EEC (where he is at a disadvantage), the leadership of the New Democracy came out and proclaimed:

The June elections are political elections. They are an overall contest.

"Yes! Across the board," declared Mr. Papandreou, grabbing this priceless bull by the horns.

Let those who are interested in making a more correct analysis of the political developments take note and remember where 17 June will lead.

9731

CSO: 3521/255

## LABOR PARTY'S ALDERS AS POSSIBLE DEN UYL SUCCESSOR

Amsterdam DE TIJD in Dutch 25 May 84 pp 10-12

[Report on interview with Hans Alders, PvdA (Labor Party) member of the chamber, by Gerard Driehuis and Tom-Jan Meeus: "The PvdA After Den Uyl: Are the Younger People in Power?--Hans Alders: 'They Say I'm Doing Well'"; passages in slantlines published in italics]

Per definition Den Uyl's successor will have to be an outsider. All the insiders have meanwhile been defeated, except for Marcel van Dam. By Den Uyl himself, some suspect. The hunt in the PvdA now is concentrating on those in their thirties (due to the Nijpels effect?). And among those, suddenly the youngest one is at the top. Will the youngest member of the chamber of the PvdA, the "child prodigy from Nijmegen," become the successor of Den Uyl? Hans Alders: "At this stage, I'm not commenting on that."

"When I joined the Labor Party Den Uyl had been the boss for a very long time already." Hans Alders (31) again takes off his glasses with the bunnies on the frame ("I didn't realize that was the symbol of Playboy"), spills some more ashes, and resumes his speech. Although now ("at this stage") he grumpily gives some rather unwieldy answers to questions about glasses and recreation ("I suppose that's what an interview is"), we shall assume that in a few years' time the "child prodigy" of the Labor Party definitely will no longer lend himself to doing that. "You only want to talk about personal matters or about the Den Uyl succession. I'm really not going to say anything about that at this stage. And I'm referring to the matter of succession in general. I would find it much more pleasant and appropriate to talk about the scandalous erosion of the minimum incomes, the current policy which doesn't offer any prospects," exclaims the member of the chamber. The waiter gets his first shock.

He suddenly surfaced in the wave of rumors about the Den Uyl vacancy. The crownprinces have all scattered. The successors went to Amsterdam, Rijnmond, to science and everywhere. Of the old guard only Marcel van Dam remains; he has been saying for years that he doesn't want to, but if the congress, the party, the parliamentary group, and the Dutch population all appeal to

his leadership, he might possibly be drawn over the line. Or perhaps there is a very slight possibility that he himself won't mind walking, or crawling, on that line if the above-mentioned bodies do not aggressively keep him from doing so. However, one fears for Van Dam that they will do that. He is much more liked by the Dutch population than by the party and the parliamentary group.

Thus it won't be Van Dam. Nor will it be Van Kemenade, Van Thijn or Van der Louw. Then who remains?

Within the parliamentary group it now has become clear that the previous party bosses are no longer effective. And thus one is searching for people in their thirties: the PvdA hunting for the Nijpels effect. Whereas the VVD [People's Party for Freedom and Democracy] parliamentary group has a wide choice of young people, the supply is very meager in the PvdA group. Young talent logically finds it difficult to advance in a party where membership in the chamber is not seen as a halfway house to nice jobs in industry, as is often the case in other parties.

Hans Kombrink, a thirtyish member of the chamber and former secretary of state, was also mentioned for a moment. He would have been an understandable choice if it weren't for the fact that the financial expert of the party is held back by differences over content. Every time the PvdA congress threatens to choose objectives which cannot be carried out in the program, Kombrink is obstinate. It doesn't improve his chances.

#### Only From the Paper

And then suddenly the name Hans Alders, the youngest PvdA member of the chamber, started to circulate. We doubted the reality of that possibility--until it turned out that permission from high authorities was needed for an interview with Alders. "High authority, nothing: I simply submitted the request for the interview to the media meeting. That's how it is done. You shouldn't look for ulterior motives. At this stage this is not at all illogical," says Alders. Anyway, /he/ doesn't know what is going on; he was told nothing; for confirmation we should not consult him--he only knows what he reads in the papers.

The rumor can be traced back to the ripples around PvdA Parliamentary Group Member Thijs Woltgens. Afterwards it emphatically turns up in the papers. First the VOLKSKRANT, followed by all the others.

"Yes, I also read it in the VOLKSKRANT, at Jan Joost Lindner's and later I saw it everywhere: TROUW, DE TELEGRAAF, NIEUWSBLAD VAN HET NOORDEN, and the Rooie Haan [political cafe] called me . . . But the press apparently knows more than I do." Perhaps. But no matter how, Alders' star is rising with incredible speed. For that matter, it had been doing that for a while already. "Yes, that is true; when I was 25, I suddenly became, to my own surprise, parliamentary group chairman of the provincial states."

What took others many years, Alders achieved in months: several key positions in the largest parliamentary group in the chamber. Who is the youngest pretender to Joop den Uyl's crown? Is he on the left or right, nice or not nice, a candidate or not a candidate? This is an attempt at an interview with a man who already knows very well what powder in the PvdA must be kept dry for the time being.

"Nothing less than /justice/ is at stake! One must call a halt to the atmosphere of despondency, the wave of erosion of benefits." Bystanders at adjacent tables look a little startled. Justice, they are definitely in favor of that. But they didn't know there was an orator present. From time to time Hans Alders starts lecturing non-existent gatherings of people. Practice perhaps? But more likely just zealotry. Glasses on, glasses off; one is reminded a little of . . . well, one is reminded of someone.

[Question] Why exactly are you in politics?

[Hans Alders] "Because of the things I witnessed in my environment from the time I was young. The division of both material and immaterial things. I attended a typical workers' [grade] school. Well, most of the children automatically went to a trade school afterward--and a few geniuses were allowed to go to the MULO [high school]. That did not make any sense, however; prejudice thus existed. And I noticed that in so many things. Chances, opportunities. What, for example, was the meaning of work? The fact that my father had no say at all in the company where he worked, worked very hard? It became clearer and clearer to me that that was not right."

[Question] Poverty as a motive for socialism?

[Alders] "Poverty is a big word, but it is true in the sense that if my father wanted to do something for me or the family, he had to work overtime; in that sense, things are not divided honestly."

Autodidact

The man who is mentioned as Den Uyl's successor is the second of two children ("a latecomer"), from a catholic home, and not a Ph.D. candidate from Buitenveldert, but an autodidact from Nijmegen. He went to the retail trade school, for a very short time had an administrative job, and then landed in politics, first as political assistant of the PvdA group in the Nijmegen city council, and on his 25th birthday, suddenly as chairman of the PvdA group in the Gelderland [provincial] state council.

"In spite of my youth, I nevertheless witnessed the coming of the 'participation' idea, the deficiencies of the representative democracy, and the possibilities of correcting those. Now, when you put all those things together, you see at a certain moment that there is inequality, that not everyone has the same chances and opportunities. And then one chooses a party."

[Question] Can you describe how it happened at the time? As an 18-year old, you come from school and you think . . .

[Alders] "During my school period I witnessed the coming of student councils, in which I worked hard myself. I became a member of the first school council, and from then on things happened rather fast."

That's correct. We're skipping some other activities such as the party council and the Political Campaign Commission. The road to the top in the PvdA is a long march through a series of institutions. Now we're at the point at which the party council had to decide on the second Den Uyl cabinet, Piet Reckman's day.

[Alders] "That day, something completely unexpected happened to me. I was asked to come to Culemborg, to the home of a regional executive member. There I was told: well, you are a candidate; you participated in the provincial election platform and . . . we were happy with that, so the regional executive is going to propose to put you in fourth place on the provincial candidate list. It was a special place since the first, second and third place belonged to the deputy candidates and the fourth one thus was for the parliamentary group chairman. /It was a complete surprise to me./ After some thinking I agreed to it; the matter was submitted to the regional meeting, and via a touch-and-go election I landed in fourth place of the list. Subsequently, I thus had to do things like negotiate for the board, etc."

[Question] Was that fun?

That was not the right word.

[Alders] "It is of course a very big chore. You have to know the details to be able to achieve agreement on the main lines, so that is a gigantic challenge with respect to content. I never let it show, but I sweated throughout all those days. I didn't simply sit down and say: well, let's do it."

[Question] How old were you at the time?

[Alders] "In '78 . . . I was 25."

But it didn't take long. In 1982 he was put on a non-elective seat on the chamber list. "I was on the Gelderland list as the candidate to succeed Van Kemenade who was going to leave."

[Question] So you were already the successor of Van Kemenade?

He doesn't react, doesn't smile. "Well, yes, within that context only, not any other."

But things proceed differently. Kees van den Anker suddenly dies. Alders becomes member of the chamber, on 11 November 1982, during the formation of the Lubbers cabinet. "And thus I was a member of the second chamber."

[Question] And then you're engaged in the struggle which characterizes every large parliamentary group: to acquire a spot. Then what?



[Alders] "I had one big advantage: I already knew very many people in the parliamentary group--and they knew me, from other matters in the party. People who haven't seen you before first look at you wondering: what kind of bird do we have now? Moreover, by coincidence I was engaged in many areas in which Ed van Thijn was also involved. I knew him especially because of the problems with respect to Dodewaard. And . . . well, he left. And that offers certain possibilities, for at a certain point someone should be the spokesman in the area of labor conditions in the collective sector. I was very deeply involved in that and--let's be frank--it was quite different than in other years. (He laughs with the coughing laugh so typical of him:) And suddenly big possibilities turn up."

Correct. Alders, member of the chamber for less than a year, was appointed --under the watchful eye of Den Uyl--as spokesman for civil servants' wages during the period of civil servants' strikes, an extremely important period for the PvdA. Suddenly he appeared daily in the newspapers, often because he continually came with new calculations which had to show the holes in Rietkerk's reasoning. "It's a matter of diligent work," he says. Very diligent. Almost every day Alders stops the parliamentary activities at about 12:00 o'clock. Who wants to rise high, must stay long.

Not a Pleasant Matter

[Question] Without experience, how did you become spokesman in an area so vital to the PvdA?

[Alders] "We worked on it together, made notes, and from those the question arose of whether I wanted to do it."

[Question] There was no competition?

[Alders] "It was the conclusion of the preparation."

[Question] Not just a question of quality?

[Alders] Smiling shyly: "If you insist on hearing that: /others/ sometimes say that I'm good . . ."

[Question] Did you like all that attention during the civil servants' strikes?

[Alders] "Well, not exactly--it was not a pleasant matter, of course."

[Question] But personally? Thinking up clever little plans and discovering that Rietkerk is economizing 500 million [guilders] too much.

[Alders] "That is not a matter of being clever. There was a difference of opinion on the government policy. Well, the task of the chamber happens to be to analyze events exactly. And if then you are very deeply involved in a matter, you find out certain things."

[Question] But another member of the parliamentary group, someone with more experience, could also have told that, couldn't he?

[Alders] "They have other things to worry about."

[Question] But the question remains: Why does Joop den Uyl let Hans Alders be the spokesman?

[Alders] Mumbling: "Yes, that would also bring up the question of whether Joop indeed . . . No, there are parliamentary group formulas to take care of that. Within such a group commission, agreements are made. And then things come about. There is no other story."

[Question] Nonsense.

[Alders] "What do you mean, nonsense?" Coughing laugh.

[Question] Because, first, not all members of the parliamentary group carry the same weight and, second, they don't all have the same ambition.

[Alders] "And how does something like that happen? The matter is prepared, a sort of plan is put on the table--and the one who prepared it thus is the spokesman."

[Question] But there is a . . .

[Alders] "look, I think that others have come to the conclusion, on the basis of what I said during those discussions, that it could be left up to me--if you have to know. In practice you're only proving that you can manage the job. No one actually comes and asks: can you manage it?"

[Question] But you still have to believe in it yourself first, don't you? Only then will others start believing it too.

[Alders] "Yes, that is true, of course."

[Question] The curious thing, of course, is that you are one of the few in the party who are not plagued by an academic background.

[Alders] "Oh, that idea again that this is a party of Ph.D. candidates . . . One simply has to study everything in depth and, as Den Uyl says: 'you must think until your brains sprain.'"

[Question] How do you know what Den Uyl thinks of you?

[Alders] "He leaves a lot up to me,. That is a sign. In a few debates on those civil servants, Den Uyl himself spoke. And of course I was closely involved in that, together with Elske (Ter Veld-ed) and Thijs (Woltgens-ed). Then Joop (Den Uyl-ed) and Wim (Meyer-ed) see how you're doing, of course."



[Question] There are many kinds of socialists within the party. Den Uyl practices the Ter Braak and Du Perron version, Van den Berg the version of Marx and of the Groningen University, Stan Poppe the trade union kind. Where does your socialism come from?

[Alders] "Cute question. I simply look around me and see things I don't like, and then you start thinking. I don't get everything out of books."

[Question] Your environment was the KVP [Catholic People's Party]!

[Alders] "I believe my parents voted KVP."

[Question] But they were not fanatic?

[Alders] "Certainly not. My father was indeed a member of the NKV [Dutch Catholic Workers' Federation], but that was common at the time. It was not an environment, however, in which no thought was given to what was wrong with society."

[Question] Where exactly do you belong, with the Van den Berg current or with the Den Uyl current? Are compromises necessary or indicated while one awaits the leftist majority--since the PvdA is only representing one third of the population?

[Alders] "As long as the latter is a fact, we must of course conclude compromises. Every day you have to ask the question with whom you can best realize your objectives. If you are purely a trainee, you won't achieve anything. If you insist on being right 100 percent of the time you won't get anything. That is not my choice."

Extremely Complicated

[Question] The formation of the Van Agt/Den Uyl cabinet was a fascinating moment in the development of the PvdA. It threatened to delay the congress a little. What would you have voted?

[Alders] "It was one of those moments at which you had to wonder would would happen if you did not participate. We took a risk then, and it failed."

[Question] But you were an advocate of taking that risk.

[Alders] "At that time, I was in favor of it. I know the situation from the 5 years in which I was parliamentary group chairman in the Provincial Council. We worked together with the CDA and the VVD. Things seemed very simple to me then: 'These are my objectives; If I enter that marriage of common sense with the VVD and CDA, I can realize a certain number of them; is that sufficient, or would I rather not realize any of those objectives?' One must be very businesslike and frank in doing that."

[Question] About like Nijpels deals with the CDA.

[Alders] "He says that he deals with them in that manner, but it often turns out differently. If something was not your own idea but the result of a compromise, you have to make that clear. Collaboration with the CDA is extremely complicated. With the VVD you know when you don't agree. But the CDA usually doesn't know /itself/ what it wants, thus it is difficult if you differ in opinion. They opted for a government accord, but subsequently they do everything to try and get out of it.

"Furthermore the CDA seems to be trying very hard to make sure that the power remains in institutions in which it itself is involved. The christian democrats are involved in many sectors of society through religious institutions which they are the supreme rulers. Sometimes their entire attitude in parliament appears to be aimed at keeping it that way. In many discussions they seem to be interested not in a certain benefit or the extent of it, but rather in keeping the /power/ over that benefit intact."

[Question] Obviously you are from christian democratic Nijmegen.

[Alders] "The fact is that it is often very laborious to discuss real matters with the CDA."

#### Manners

[Question] The PvdA indeed doesn't vacillate. If your political leader dares to have a different opinion on the strategy to be followed to make the world free of nuclear arms, he is dismissed as Jopie Atom.

[Alders] "The manners in the party are rapidly changing ... It was of course entirely correct that Joop made his thoughts clear at that congress. I agree with Den Uyl that the reduction of nuclear arms is only possible in an international context, and that you should make use of the alliance. That people call him Jopie Atom is understandable with respect to their emotions. The worst thing that could happen is if emotions are no longer taken seriously as arguments. And now you're going to ask, of course, what I think of that?"

[Question] Correct.

[Alders] "I think that we do not /always/ treat each other in the same pleasant manner. But that doesn't mean that we cannot function, does it? Come on now; that's part of it!"

[Question] So in that respect you wouldn't mind climbing even higher?

[Alders] "Oh, stop harping. For the time being Den Uyl is simply staying."

8700

CSO: 3614/90

## POLL FINDS GROWING DISSATISFACTION WITH WILLOCH CABINET

Oslo AFTENPOSTEN in Norwegian 5 Jun 84 p 3

[Article by Alf Seeland]

[Text] The majority of the voters are dissatisfied with the government's work. The dwindling popularity of the government is especially noticeable in Sorlandet and Vestlandet and among Christian People's Party voters, according to an April poll taken by Norsk Opinionsinstitutt and AFTENPOSTEN. A similar poll taken 1 year ago showed just as clear a majority in favor of the Conservative government of that time. This support was further strengthened until the coalition government was formed in June of last year.

Support for the government has dropped, even compared to the poll taken in February of this year. In April, 40 percent of the voters stated that they were satisfied with the government, while 51 percent were dissatisfied. The corresponding figures for 2 months earlier were 44 percent and 47 percent, respectively.

## Top And Bottom

The government enjoyed its greatest popularity as a purely Conservative Party government in June of last year with 52 percent satisfied and 37 percent dissatisfied, while the coalition government reached a low point of 36 percent and 56 percent in October last year.

Today's dissatisfaction with the government is the result of a genuine turnaround in Sorlandet and Vestlandet. While 47 percent in this part of the country were satisfied and 41 percent dissatisfied last February, 55 percent now turn thumbs down and only 32 percent are satisfied with the government.

## KRF Reversal

Although a plurality of 48 percent of the Christian People's Party (KRF) voters still support the government, compared to 30 percent who are dissatisfied, the drop from 60 percent satisfied and 21 percent dissatisfied in February is considerable. Even Willoch's purely Conservative government was more popular among KRF supporters in June of last year than the government that includes KRF: 67 percent satisfied and 25 percent dissatisfied.

Conservative Party voters have unwavering faith in the government. The 84 percent supporting the prime minister's party actually represents a 1-percent increase in support, while only 11 percent are dissatisfied. Center Party voters also are relatively satisfied with 62 percent satisfied and 25 percent dissatisfied, which is about the same as in February.

#### Dissatisfied, But . . .

Outside the coalition parties there is dissatisfaction everywhere. Although 74 percent of the Labor Party voters are dissatisfied, this has not contributed to the decline in support for the government. The same is true of Carl I. Hagens and the Progressive Party voters. Dissatisfaction among Liberal voters has declined. In the Socialist Left Party the government has "improved" its minority support from 3 percent to 14 percent.

There is an even geographic distribution, with the exception of Sorlandet and Vestlandet, as mentioned above. The governing parties should note, however, that in the country's three largest cities 56 percent of the voters are dissatisfied. This is a 6-percent increase.

#### Unemployment

The voters do not seem to blame unemployment, especially among youth, on the government. For the youngest age group the figures for satisfied-unsatisfied voters are 44-47 percent. In the 30 to 59 year group the figures coincide with the national average, while for voters over 60 the figures are 36 percent and 52 percent, respectively.

Men are less dissatisfied with the government than women, with 42-49 and 38-52 percent, respectively. Voters with a high-school or higher education are evenly balanced at 48 percent satisfied and 48 percent dissatisfied.

Dissatisfaction is increasing among LO (Federation of Trade Unions) members, with 21-65 percent now compared to 27-68 percent last February.

(1)  
Spørsmål: Er De tilfreds eller utilfreds med Regjeringens arbeide hittil?

	1983			1984		
	April %	Juni %	August %	Oktober %	Februar %	April %
Tilfreds (2)	49	52	46	36	44	40
Utilfreds(3)	43	37	45	56	47	51
Vet ikke (4)	9	11	8	8	9	9
Sum: (5)	101	100	99	100	100	100
Antall spurte: (6)	1004	1003	1005	1004	1002	1004

Regjeringspartienes velgere har nokså ulik oppfatning:

(7)

	(8) H	(9) Kr.P	(10) S
Tilfreds (2)	84	48	63
Utilfreds(3)	11	30	25
Vet ikke (4)	5	22	12
	100	100	100

Oslo i mai 1984

NORSK OPINIONSINSTITUTT A/S

Key:

1. Question: Are you satisfied or dissatisfied with the job the government has done so far?
2. Satisfied
3. Dissatisfied
4. Do not know
5. Total
6. Number of respondents
7. Voters for the coalition parties had widely differing opinions:
8. Conservative Party
9. Christian People's Party
10. Center Party

9336

CSO: 3639/120

## VOTER STABILITY POLL INDICATES LOSSES FOR CONSERVATIVES

Oslo AFTENPOSTEN in Norwegian 4 Jun 84 p 3

[Article: "Conservatives Less Stable"]

[Text] The Conservative Party has returned to last year's disturbing instability among its voters. In an opinion poll from Norsk Opinionsinstitutt and AFTENPOSTEN for April, 70 percent of those who voted for the Conservative Party in 1981 indicated they would stick with their party. The Labor Party also experienced a decline in voter stability with 82 percent, while in November of last year the party achieved a figure of 91 percent. The Progressive Party jumped from 58 percent in March to 78 percent in April.

The underlying material in the survey is disturbing to the Conservative Party. Among those who voted for the Conservative Party in the last parliamentary elections, 11 percent answered that they might vote for another party if parliamentary elections were held today, 8 percent said they would surely vote for another party, and 11 percent were uncertain. Among those who voted for the Labor Party in 1981, 7 percent might vote differently today and 9 percent are uncertain.

The Christian People's Party also experienced a sharp drop in voter stability from 92 percent in March to 72 percent in April. Norsk Opinionsinstitutt has strong reservations concerning figures for all parties other than the Conservatives and the Labor Party, however. The number of respondents for the smaller parties was between 30 and 60. As an example, only 22 respondents accounted for the remarkable increase in stability for the Progressive Party.

Question: Did you vote in the 1981 parliamentary elections? If so: if parliamentary elections were held tomorrow are you absolutely certain you would vote for the same party, would you consider perhaps voting for another party, would you certainly vote for another party, would you perhaps not vote, or are you uncertain as to what you would do?

The percentages of 1981 party supporters who would surely vote for the same party if parliamentary elections were held tomorrow are as follows:

	<u>1983</u>		<u>1984</u>			
	Nov	Dec	Jan	Feb	Mar	Apr
	%	%	%	%	%	%
Labor Party	91	84	87	87	85	82
Progressive Party	78	66	66	58	58	78
Conservative Party	70	70	67	80	73	70
Christian People's Party	87	76	78	87	92	72
Center Party	66	76	72	72	71	78
Socialist Left Party	69	75	84	72	74	70
Liberal Party	58	77	61	57	87	66

The number of respondents for the individual monthly surveys is between 30 and 60 for all parties other than the Labor Party and the Conservatives. As a result, the margins of error in figures for these parties are considerable. For this reason, figures for these parties should be evaluated over a period of several months.

Oslo, 30 May 1984

NORSK OPINIONSINSTITUTT A/S

9336

CSO: 3639/120

## SOCIALIST LEFT PARTY IN MIDST OF PERSONALITY FIGHT

Oslo AFTENPOSTEN in Norwegian 2 Jun 84 p 3

[Article by Ole Johan Nilsen]

[Text] Tempers are at the boiling point once again within SV (Socialist Left Party) in an old-fashioned battle of personalities that is well suited to this party of militant members. The battle is centered around the empty seat in the Oslo delegation to parliament that must be filled when Stein Ornhoi retires next year. The main contenders are party chairman Theo Koritzinsky and SV veteran Finn Gustavsen. Their supporters are talking about a "lack of confidence" in the party leadership and "Social Democrats"--the latter being dirty words in SV circles.

The campaign for Gustavsen in Oslo probably will not succeed. Before the nomination can take place in November, however, there will be ample opportunity for the candidates to exchange views.

On Monday the Oslo SV party organization will choose a nominating committee. Four names already have been proposed, even before the committee's first meeting: Theo Koritzinsky, Hilde Bojer (alternate for Stein Ornhoi), Per Eggum Mauseth (city councilman for many years), and Finn Gustavsen.

Last week 13 prominent party members came out demanding "Finn for Parliament." This was a bold move since, as early as February, the party chairman was considered the sure and obvious candidate to succeed Ornhoi. Among other things, the 13 members pointed to Gustavsen's voter appeal and to the fact that since 1973 SV has dropped from 250,000 to 110,000 votes nationwide.

To top things off, however, the Gustavsen supporters spoke openly of the party's "dwindling ability to gain confidence among the broad masses." This may be seen as open criticism of the party's leadership, since the 13 members said, in so many words, that the present party chairman could not correct the situation even if he succeeded Stein Ornhoi in parliament.

Understandably, the campaign for Gustavsen had an immediate effect on the other candidates. The SV Oslo chairman Kjetil Paulsen made a statement on the other three candidates. Women's groups within the party announced their opposition to Gustavsen because he opposed SV participation in the battle against



pornography. Gustavsen has been called a "Social Democrat in a red coat," which is no title of great esteem.

One of Gustavsen's supporters, Bjorgulv Froyn, who achieved recognition during the streetcar strike in Oslo some years ago, has criticized the party leadership because, as early as last February, Koritzinsky was announced as Ornhoi's successor. Froyn called this a "monopoly on the right to solve the party's problems and, thus, to suppress the opinions of other party members." The campaign for Gustavsen must be seen on the background of these events, according to one of the 13 members behind the "Finn for Parliament" movement. According to all indications, this movement will be unsuccessful in the SV nominations in Oslo, but perhaps this is not the primary objective.

9336

CSO: 3639/120

## EX-FOREIGN MINISTER FRYDENLUND IN SECURITY DEBATE ROLE

Oslo AFTENPOSTEN in Norwegian 2 Jun 84 p 3

[Article by Terje Svabo]

[Text] It has been almost 3 years since Knut Frydenlund descended from the Foreign Ministry to parliament after the nonsocialist election victory in 1981. This has been a rough period for Frydenlund.

The Labor Party has been through a security policy debate that for a long time appeared capable of splitting the party. This did not occur. On the contrary, The foreign and security policy debate in parliament during the past few days has shown that the party is more united now than it has been for a long time. Many Labor Party members point to Frydenlund as one of the moderate members who managed to keep the Labor Party together.

On Tuesday when parliament discussed long-term military planning Frydenlund, as chairman of the defense committee, stated that there was broad unity on a number of important issues, just as there was during the debate over the disarmament report. On Tuesday the former foreign minister stated that the military was facing a necessary and painful reevaluation.

There is a certain amount of truth in the assertion that for almost 3 years Frydenlund himself has been forced to make a painful reevaluation of his previous positions. As foreign minister, he played a key role in the illustrious dual decision NATO made in 1979. As a result, it must have been extremely difficult for Frydenlund to keep up with the Labor Party's positions on this matter.

Knut Frydenlund was a member of all the internal committees that evaluated the Labor Party's stand on the dual decision. This could not have been easy. This was particularly true of his participation on the so-called missile committee. One of his fellow members on this committee was Jens Evensen, whose closest coworker at that time was Arne Treholt. There is reason to believe that Frydenlund, as former foreign minister, was the only member of the committee who knew at that time that Treholt was a spy for the KGB. Knowing this shocking information must have made it difficult for Frydenlund to maneuver on the committee.

For Frydenlund and those who shared his opinions, it was important that the Labor Party never pass a resolution in absolute opposition to the deployment of Western missiles. There is reason to believe, however, that even this wing of the Labor Party criticizes the present American administration for not reaching an agreement and for beginning the deployment of missiles in the West while negotiations were still underway.

During NATO discussions in the late seventies, the Labor Party government of that time emphasized that the negotiating aspect of the dual decision must be genuine. Even in the moderate wing of the Labor Party there is bitterness over what they claim is President Ronald Reagan's lack of interest in negotiations. It is stated with much irritation that the present American administration does not even have the word "detente" in its vocabulary.

During the internal discussions within the Labor Party over the dual decision, Frydenlund's primary goal was to avoid a definite rejection of deployment and it can be maintained that the party was "saved" when negotiations broke down in Geneva. If they had led to results, there hardly would have been unanimous support within the Labor Party.

Knut Frydenlund and those who support his views believe that the decision to deploy missiles in the West will be seen as unwise from an historic standpoint. The reason for this is the gap that has been created between Western governments and public opinion.

Many believe that this position is characteristic of Frydenlund. He does not believe in running a party or a foreign policy by authoritarian means. Frydenlund's critics say that this attitude leads to something resembling paralysis and a fear of demonstrating leadership and of taking unpopular positions.

Some see parallels between this and Frydenlund's 8 years at the Foreign Ministry. It has been claimed that his appointment of special advisers resulted from his desire not to say "no" to qualified Foreign Ministry officials when they did not get their way. Frydenlund's supporters disagree strongly with this analysis. They say the appointment of special advisers was part of an active foreign policy. But it is probably not without reason that Frydenlund was given the nickname of the "good man from Drammen."

In 1981 when Frydenlund returned to parliament, it was clear that he could not become a member of the foreign affairs committee. He chose the defense committee himself and became chairman. He has been careful not to criticize his successor, Sverre Strøm. Gro Harlem Brundtland and Guttorm Hansen have taken care of this task.

In the debate over long-term defense planning and the disarmament report, it was agreed that an effort should be made to move away from a nuclear defense and toward a conventional defense system. It should be noted, however, that no one from the Labor Party--not even Frydenlund--advocated strengthening our conventional defense system in this connection.

This probably is because the Labor Party sees this as a question of reorganizing Western defenses, primarily in France and West Germany, rather than a question of increased defense spending.

As this view becomes more and more clear, there will be a need for compromise between the Labor Party and the coalition parties.

9336

CSO: 3639/120

## SOCIALIST LEFT PARTY SUFFERS SETBACK IN STORTING ARMS DEBATE

Oslo ARBEIDERBLADET in Norwegian 25 May 84 p 6

[Commentary by Pål Nordenborg: "Surly Socialist Leftists Fear Tranquillity"]

[Text] The Socialist Left Party had certainly got up on the wrong side of the bed the first thing yesterday. The party has had better days in the Storting than when the arms reduction and security report finally got to be debated after two years. The party which year after year has spoken for the cause of peace and detente, put itself at the head of nuclear weapons protests and diligently made use of the media attention which the Storting speaker's platform commands, yesterday stood out as the most negative.

And again it was the Labor Party which was carped at, on the basis of the view that the Conservative Party, regardless of the debate in the Storting Foreign Affairs Committee, had followed, before or since. Therefore, it is the Labor Party which deserves the whacks with the stick, according to the righteous.

Trickery?

Well, when all is said and done, certainly no one had expected that the Socialist Left Party would join in the little outpouring of delight which has now characterized the Storting for a while, over the fact that the Conservative Party was moving in the security policy or over the appreciative words which spokesmen from the center parties have spoken regarding the political handiwork which has been performed in the committee, not least by Gro Harlem Brundtland in her capacity as spokesperson for the cause. But, nevertheless, what astonished not so few was that the Socialist Left Party in spite of everything found /as/ [in capitals] little to be happy about as they expressed. A little resigned, one could shrug and just declare that what was seen as a step in the right direction by a majority of Storting representatives and probably also by a majority of the people, not only with regard to the original report, was regarded by the Socialist Left Party more as some kind of trickery.

When, for example, Stein Ørnhøi thought that just as much and just as little progress had been made as before, it seemed as though all the efforts his party had made for the peace movement's voice being able to be heard,

especially in the Storting, had been entirely in vain. Some will certainly agree with him about this, but then it must be said that they are so very noble.

#### Honesty

Others will to a far greater extent be able to see the positive in the fact that the entire debate and the more unorganized, as well as the organized, work for detente and disarmament have, in terms of practical politics, been given a firmer basis than previously in Norwegian politics.

For this reason, many, certainly in the peace movement, too, will take note of the fact that the Socialist Left Party is quite clearly saying that the Storting, especially the Labor Party, is pulling the wool over people's eyes. But the Socialist Left Party has probably managed to sow doubts regarding its own sincerity, too. For there is reason to understand the Socialist Left Party's surliness yesterday more as an outlet for a desire for making points on its own behalf than as honest interest in a cause which increasingly more want to take part in.

8985

CSO: 3639/122

## PAPER APPLAUDS WESTERBERG'S FIRST FOREIGN POLICY SPEECH

Stockholm DAGENS NYHETER in Swedish 30 May 84 p 2

[Editorial by Tore Winqvist: "Security and Solidarity"]

[Text] Liberal Party leader Bengt Westerberg is making his debut in foreign policy with a well-reasoned official document. Tuesday's speech to the Institute of International Affairs shows that the Liberal Party wants to work to reduce the rift between the Social Democrats and Conservatives and give it its true proportions. That line of action deserves respect.

A central place in his argument is occupied by the concept of international solidarity, without which, according to Westerberg, our foreign policy will not be credible. Compare that with Adelson's different emphasis in today's debate article [not included here].

In one important aspect of solidarity, the Liberal Party has its own very special temperament and commitment. As his party's spokesmen have long done, Westerberg devoted a substantial portion of his speech to infringements of the Helsinki Declaration and violations of human rights. As tragic examples, the Liberal Party leader mentioned the Soviet Union and its allies but also Turkey.

In practice, however, Westerberg directed all his criticism at the Soviet Union. He had made it clear from the start that he did not intend to talk about Central America or the Middle East.

Such a restriction may naturally impart a certain lopsidedness to the picture he presents, and Westerberg was not entirely unaware of that. On the whole, however, it is salutary not to run through the usual global catalogue of crises. And it seems necessary that one Swedish party at least should speak loudly and persistently about Sakharov and the Soviet Jews. The Social Democrats do not do so, unfortunately--presumably because the government and Olof Palme himself have enough worries with normalization because of the submarine affair. And the Conservatives, of course, devote their attention primarily to reflections of the hard-boiled kind concerning the military aspects of international politics.

It is not just a ritual when Westerberg says that "Swedish foreign policy and security policy have broad popular support." His assertion that there is unity

concerning the main principles behind those policies must be interpreted as a reprimand directed at the prime minister, who of course likes to suggest that the Conservative Party is meddling dangerously with our neutrality efforts themselves. On the other hand, the Liberal Party leader is critical of both the big American MX missiles of the future and their Soviet counterparts. Very justifiably, he calls them "destabilizing," and with equal justification, he takes a strongly negative stand on the development of nuclear-armed battlefield weapons. When was the last time we heard the Conservatives express themselves vigorously against the frightening and reckless deployment of nuclear weapons not only by the Warsaw Pact but also by NATO?

But Westerberg turns speculative when he follows up on last year's submarine report by the Liberal Party and repeats that the Soviet motive for submarine intrusions may be the intention to show that in practice, our archipelagos are part of Moscow's security preserve. The Liberal Party leader calls the assumption that Submarine 137 may have made a navigational error an "unpardonable lack of judgment." Sadly enough, he does so with no attempt at substantial argument.

Like Minister of Defense Thunborg, Westerberg claims that Sweden is no longer situated on the fringe of the field of tension existing between the superpowers. That is something that ought to be kept in the picture when discussing submarine violations. It is easy for the Liberal Party leader to talk about earlier instances of neglect in connection with Swedish antisubmarine defense--that is one area where no one can lay any blame on him.

Being a political child of his times, Westerberg emphasizes that we intend to use all available means to stop submarine intrusions. That certainly cannot be said too often. But the crucial factor as far as the impression abroad is concerned is the degree of military capability and force with which we are able to back up those words.

The Liberal Party leader's arguments concerning the increased importance of Sweden's Armed Forces to our neutrality policy are completely in line with what the rest of the nonsocialist opposition claims, no doubt to the discomfort of a Social Democratic Party that is split on that issue. At the same time, however, Westerberg expresses understanding in principle for the government's initiatives in connection with nuclear-free zones and corridors--based on Sweden's security interests and with no shift in balance. But he makes it clear that "disarmament arrangements of real significance to security policy are a consequence of detente rather than the other way around." That sounds as though it were lifted directly from his predecessor Ola Ullsten.

If we understand Westerberg correctly, the Liberal Party has no objection to a debate on submarines at the Stockholm Conference. Westerberg is emphatic in laying down the important principle that praise or criticism from others can never be allowed to influence the stands we take, while at the same time, he accepts the government's efforts to normalize Swedish-Soviet relations.

One thing is sure: neither the Social Democrats nor the Conservatives will find any support here if they give the signal for a big fight over foreign policy.



## CONSERVATIVES UNDER ADELSON APPEAR TO BE ON DECLINE

Stockholm DAGENS NYHETER in Swedish 27 May 84 p 2

[Editorial: "Conservatives: a Tenacious Party"]

[Text] In the voter barometer, the Conservatives are still about 3 percentage points above their 1982 election results. What AFTONBLADET calls a "well-deserved collapse" is not necessarily anything more than a normalization following a temporary lead in the opinion polls. The Conservatives are a tenacious breed, and their leader has shown that he can establish voter contact. In the latest poll by SIFO [Swedish Institute for Public Opinion Polls] concerning the public's confidence in the party leaders (in September 1983), Ulf Adelsohn got the highest score.

"Uninformed, slipshod, and garrulous"--that, according to OSTGOTEN (Social Democratic), is "the impression that more and more Swedes have gotten of the new Conservative leader this spring." That statement reflects Social Democratic wishful thinking. Adelsohn was wide of the mark in the Ferm affair, but it has been seen that like his predecessor, he can afford to do something foolish from time to time. After 2.5 years, it is time for us to stop calling Adelsohn "the new" Conservative leader, with the implication that he may fall out of the saddle at the slightest hurdle.

The Conservative Party's problem does have to do with its party leader, but it is a different kind of problem. As the GEFLE DAGBLAD (Liberal) points out, Carl Bildt is practically the only one besides Adelsohn who attracts any notice in the party. Bildt received unparalleled free publicity thanks to the attack by Olof Palme last fall. The fact that Adelsohn and Bildt are the most prominent figures "has probably meant that the Conservative Party has come to be associated with the battle by those two gentlemen with Olof Palme." The GEFLE DAGBLAD says that those battles have been most damaging to the Social Democrats. The Social Democrats stand out in greater numbers--besides Olof Palme, there are also "the far more poised Kjell-Olof Feldt and Ingvar Carlsson."

There is concern in several Conservative newspapers, which want the party to be seen and noticed over a broader field. "Typically Conservative issues that concern the schools, the church, culture, the role of the individual, questions of law, and so on must play a more prominent role," writes the SMALANDSPOSTEN (Conservative).

It is illuminating that such a discussion should be going on just now, when the party is at the height of a debate over a new political action program. Now if ever, the Conservatives should be showing their entire range.

In a speech at the national convention of citizens' schools last Saturday, Adelson tried to bring out issues that many have missed in the Conservative message. He brought up the internal criticism to the effect that in its political ideas, the party--to express it in its usual simplified form--places more emphasis on freedom than on responsibility. His speech seemed to indicate a certain downplaying of the party's profile, especially when compared to the proposed program. "A culture without support and subsidies will be a shabby and impoverished culture," said Adelson in a reference to Maecenas. Unlike the program committee, he did not say that culture should be guided by "the individual's freedom of choice." He tried to bury the proposal that the county councils be abolished.

Changes in the political weather are sometimes noticed sooner within the parties than among the voters. On the level of ideas, the Conservatives are not as much on the offensive as they were a couple of years ago. Although they are still a big party, there are signs that their influence on people's ways of thinking is waning.

11798

CSO: 3650/217

## BRIEFS

INCREASED AID TO SWAPO--The government has decided that during fiscal 1984-1985, it will give 37 million kronor in humanitarian aid to the ANC (African National Congress), the South African liberation movement, and 50 million kronor to Namibia's liberation movement SWAPO (South-West African People's Organization). Both amounts represent an increase in comparison with 1983-1984, when the ANC received 32 million kronor and SWAPO received 47 million kronor. [Text] [Stockholm SVENSKA DAGBLADET in Swedish 18 May 84 p 9] 11798

SOCIALIST YOUTH: PROTEST TO POLAND--The Swedish Government should deliver a protest to the Polish Government concerning the treatment of political prisoners and demand that all political prisoners in Poland be released as soon as possible. So say the SSU [Swedish Social Democratic Youth Association] and the Solidarity Information Office in Sweden in a joint letter to the government. According to official reports, there were about 450 political prisoners in Poland at the end of April. The number is increasing constantly. The Polish Government admits that just over 600 people were arrested in connection with the demonstrations on 1 and 3 May. [Text] [Stockholm SVENSKA DAGBLADET in Swedish 17 May 84 p 6] 11798

CSO: 3650/217

## BARLAS ON THREAT TO TURKEY OF WIDENING GULF WAR

Istanbul MILLIYET in Turkish 23 May 84 p 1

[Editorial by Mehmet Barlas]

[Text] The interminable Iran-Iraq war has, in the end, started to make an impact on the security of the Middle East, as well as Turkish foreign policy, to an extent greater than the Arab-Israeli conflict.

First of all, this war has lasted far too long. We may recall that, the First World War lasted four years, and the Second World War six years. Even such short periods brought disasters to the people of the participating nations. It took years for the nations of the world to piece themselves together, and to reconstruct a new order.

The Iran-Iraq war has entered its fourth year. These two countries, which are our neighbors and friends, are engaged in tearing themselves apart, and wearing each other out every single day.

The region has been divided into camps in response to the dangers associated with the Iran-Iraq war, and these polarizations have reached important dimensions which involve the superpowers.

When the superpowers get involved in various conflicts in the Middle East, an area which entail a number of delicate balances, the status of all the countries in the region is inevitably brought into the agenda. Thanks to the Iran-Iraq war, the Middle East is on the verge of becoming the stage for yet another Soviet-American confrontation and bickering.

This damned war can be won neither by Iran nor Iraq, and it is possible for neither side to force the other unconditionally to a peace agreement.

In fact the most propitious time for signing a longlasting peace agreement is here and now. That is because Iran has regained the territory it had lost earlier in the war. The two sides have nothing to show for their efforts other than bombing one another.

However, what has up to now been war of attrition with rather static front-lines is showing signs of spreading to other countries in the region, primarily Saudi Arabia. Thus, the most serious development of the day is the strong tendency towards the formation of a common front against Iran.

Communication lines have been established by President Evren and Prime Minister Ozal with the countries of the region and the two warring nations, serving as an instrument of the general desire to end the war.

This is not a mere search for peace, but a decisive move aimed at ending the political chaos that threatens to engulf Turkey as well.

12466

CSO: 3554/230

## COAST GUARD HUNTS FOR SUBMARINE IN ALAND ISLANDS WATERS

Helsinki HELSINGIN SANOMAT in Finnish 9 Jun 84 p 3

[Unsigned article: "Coast Guard Searches for Submarine in Aland Islands Waters"]

[Text] Turku (HELSINGIN SANOMAT)--An Aland Islands fisherman suspects he may have seen a submarine in the southern half of the Aland Islands in the vicinity of the Storklobben Coast Guard station.

The fisherman--a former coast guardsman--who was out in his boat Thursday afternoon, stated that he had seen a dark, roughly 4-meter-long chunk partly above the surface of the water a few hundred meters away.

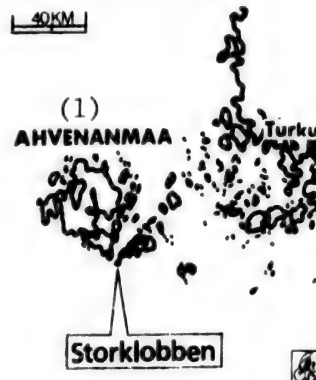
The "chunk" traveled faster than the fisherman's boat, which was moving at a speed of 8 knots. According to the fisherman's observations the movement of the "chunk" brought about rough waves; on the other hand, a periscope was not seen.

Seppo Kanerva, commander of the Coast Guard of Southwest Finland's Archipelago Sea, stated that checks were made in the area as early as Thursday when, among other things, aircraft were at the scene, but nothing was found. Investigations and checks were continued in the sea area on Friday.

Commander Kanerva considered the observation "a little strange" and affirmed that the Archipelago Sea Coast Guard is not on an actual submarine hunt.

"The observation is astonishing inasmuch as the depth of the water in that area of the sea is only 30-40 meters. That is too little for large vessels, and submarines are surprisingly high. They need at least 50 meters of water."

Commander Seppo Kanerva said that Thursday's submarine observation was the first one made this summer.



(1) Aland Islands

12327

CSO: 3617/177

## BRIEFS

ARMY NEWSPAPER POLICY--The recent clamor about the reading of newspapers in the Army is orchestrated. This statement was made yesterday by alternate minister for National Defense, Mr A. Drosogiannis in answer to a question by a reporter about the punishment of soldiers. "Certain military," he continued, "insist on reading newspapers despite the fact that they know that the existing regulations do not permit this. I do not know where they get their directives but they create this problem systematically. It is natural for the commanders to punish them." He concluded, "Under the new regulations, which are to be implemented later on, the reading of newspapers is allowed so long as it is not done for ulterior motives." On the other hand, regarding the picketing and the marches that are taking place for the democratization of the Armed Forces, Mr Drosogiannis stated that "these do not influence the decisions regarding the military, even in the preelectoral period." [Text] [Athens TA NEA in Greek 26 May 84 p 1] 9731

CSO: 3521/255

## STRUCTURAL CHANGE STIRS UNION DEFENSIVENESS, RIGIDITY

Hamburg DIE ZEIT in German 18 May 84 p 3

[Article by Ralf Dahrendorf: "Hold the Line Or Move Ahead ?"]

[Text] At first glance, they look like three entirely different developments: In the FRG, the printers and metal workers are taking a vote on strikes that are to give them shorter working hours and higher wages and provide jobs for the unemployed in the bargain. In Great Britain, the mineworkers have gone on strike to protest against the closing of mines but above all against government labor legislation. That strike, undertaken without majority support, tries to prevent those who are willing to work from entering the mines and steel mills. In France, the incensed steelworkers of Lorraine first destroy the homes and offices of their local deputies to parliament and then travel to Paris to take part in a mass rally against the socialist government, demanding an effective regional industrial policy.

If one looks at these events more closely, it turns out they have something in common and—at first glance once again—the common elements all seem negative. The "friendly societies" are no more—those self-help organizations which marked the early days of labor unionism. The truth is they have long since been replaced by a variety of social security systems. Perhaps more importantly, the fighting organization is no more which would fight for a bigger piece of the economic cake, for higher wages which would at least keep pace with greater productivity. Nonetheless, the wage negotiation ritual continues to be important; but these days it rarely results in a fight. In fact, it was not the enormous gap between their two-digit demands and the National Coal Board's offer of a 4-percent raise which caused the British mineworkers to try and close down the coal and steel industry with the help of pickets and in the German case, too, the real as well as the indirect wage demands have all but gotten lost in the shuffle.

There is one other thing that is no longer first and foremost in people's minds: the self-assured, political demands by organizations which know that the future is on their side. The demand for the 8-hour day was a demand for justice; for civil rights for all. It united the labor unions and the socialist parties and found much support elsewhere as well. Essentially, these were viewed as basic demands for a decent society which were characteristic for the years between the wars and as demands for a much-needed redistribu-



tion of income--or in other words, an extension of the social safety net--which were raised in many countries in the aftermath of World War II. This was economic power being used for political ends. In the final analysis, this power was reflected not only in the election victories of the socialist parties but also in the participation of organized labor in the exercise of power as such--be it in the form of "co-determination," "concerted action," the "social contract" or whatever.

The unions operating today are different by nature. Just two decades after reaching the pinnacle of their power, they are the forward-looking organizations representing self-assured groupings of the future no longer. Instead, their rhetoric is defensive and their followers are full of anxiety. The labor unions have become defense organizations of declining social groups. This is what determines their style, the substance of their struggle, their weakness as well as their strength.

The tenor of the controversy is a clear indication of this change. In France (and not only in France), the labor unions are above all asking for protection. They want the government to treat their membership just like the farmers have been treated for a long time. All the industrial nations have taken many a step in this direction already. EEC has done everything in its power to institutionalize protection for the declining groups (in the steel and textile industries). What goes by the name of industrial policy or (better still) regional policy nowadays no longer amounts to a policy of positive incentives for development but rather a special type of social policy to help those who limp but cannot walk. And the labor unions are the organizations which represent these invalids loudly and effectively--not infrequently with the help of the "entrepreneurs" in that particular sector of industry. They are part of the age of protectionism coming on the heels of decades of growth.

In France, as in Great Britain, the desire for protection always goes hand in hand with the desire of preserving existing jobs. Under such circumstances, competitiveness of industry counts for little while preventing change counts for a lot. Mrs Thatcher has touched on one of the sacred principles of British unionism--namely that the unions are operating in a virtually extra-legal environment. Ever since the Trade Disputes Act was passed in 1906, the British unions could no longer be held accountable for the consequences of their actions. Today, there are laws which have a specific effect and the labor unions look upon them as signs of their own weakness--with some justification. The German case is the most complicated of all. To be sure, the fight against unemployment always contains an element of defensiveness. The history of the printers union, at any rate, is characterized by the attempt by one of the most respected crafts to defend against the outgrowths of modern technology. The demand for shorter working hours, for all that, has something altruistic about it. It seems to confirm the thesis supported by public opinion polls that overcoming unemployment

is indeed an "altruistic" political demand (as outlined by James Alt in his book dealing with economic decline). It is not the unemployed themselves who revolt but those afraid of losing their jobs or simply dismayed at the very thought of unemployment. Under the circumstances, the political outcome is not a revolution of the unemployed but a reaction on the part of those who are either unwilling or unable to accept disorder or any of the other social costs of unemployment.

This, however, is a recipe for reaction on the right. It is therefore unlikely at the very least that the German union members, in taking their strike votes, are truly motivated by the desire to make sacrifices of their own in order to overcome unemployment. After all, people never act against their own best interests. The best interests of those who have a job and the organizations which speak for them are to hold on to their own position and not to improve the position of others at their own expense.

The motivation of those voting would instead appear to be political. Industry and government in the FRG have done their best to make it so. There is the impression that there is a united front intent on driving organized labor into a corner or even to see to it that the unions lose face. Those threatened in this manner band together, however serious their doubts may be in the specific goals of this specific labor controversy.

This symbolic labor struggle is truly characteristic of the climate prevailing in the FRG. For that matter, an economy can also be destroyed by worrying more about saving one's own face or about the abasement of others than about meaningful relationships. But none of this alters the fact that the function of the labor unions has truly changed. In his book on stagflation, growth and social petrification ("The Rise and Fall of Nations"), Mancur Olson has made a specific point of calling attention to the role played by "special interest groups." In this, he is referring to the labor unions but not to them alone. According to Olson, special interest groups and their "defense coalitions" are the primary causes for the petrification which has taken place in the economies of the developed countries. This petrification impedes growth, increases unemployment, discourages investment and raises the suspicion that the old industrialized nations have their future behind them.

Olson takes pains to distinguish between different countries and even between major sections within countries. In the United States, at any rate, the labor unions agreed in part to the kind of reductions in real wages which surely were a major factor for the rapid economic growth of the past 6 months and the simultaneous substantial drop in unemployment. In Europe, on the other hand, wages have remained "sticky," as Keynes used to say—which has us experiencing healthy growth while unemployment stays the same or even continues to rise. Olson draws a distinction between countries having large industrial unions (such as the FRG) which are more flexible

and countries (such as Great Britain) which have a great many tiny, specialized unions whose special interests may nevertheless lead to labor conflicts which paralyze entire sectors of industry. What Olson perhaps fails to see is that under modern conditions industrial unions can break up into regional or even company-related special interest groups, thereby bringing on the British effect after all.

The fact remains that the labor unions do introduce an element of petrification into present-day economies. Their restrictive practices have the same effect as the employers' demands for subsidies. For another thing, the position of the declining groups is by no means enhanced by their attempt to defend it. Often enough, this defense turns into mock defense. In the end, it most of all benefits those who are still part of the system. In Great Britain, where the labor unions live according to their own rules and must immediately drop anyone from the rolls who loses his job, this seems all the more squeamish.

Interpretations of this kind beg the question of whether the labor unions are still as powerful as they were or whether they have lost much of that power. But that would be the wrong question to ask which is also why no plausible answer is given. There is such a thing as power to make things happen. Throughout history, that kind of power came from those groups which had the future on their side. It took the labor unions a long time to capture that power and for a certain length of time they actually possessed it. There was such a thing as a labor movement the demands of which no one could ignore. For that matter, there were major political leaders who had no intention of ignoring it. The names of men such as Adenauer and Boeckler come to mind or even that whole long period starting with that particular alliance in the early days of the federal republic and lasting all the way to the meeting Helmut Schmidt held with representatives of business and labor at the chancellor's bungalow. But this great era of the labor unions is gone forever. They no longer speak for social groups or economic power centers embodying the future. The more future-directed the industries are, the smaller the union membership. Within certain limitations one may therefore say that the future is passing the labor unions by.

On the other hand, there is the power to prevent things from happening or at least to slow them down. This way of using power is well-known in our day, too. I am referring to the well-known dilemma of the citizens' initiatives and even more so to the relationship existing between preventive initiatives and the desire of the Greens to design a political platform for the future. The positions of power held by the labor unions at any rate are of the kind which stand in the way of progress. The unions are not bona-fide movements any longer; they have turned into guilds.

This still leaves them with a good deal of power. Above all in an age in which it is far from easy to identify the sources of future progress, the ability to prevent these from flowing is not to be underestimated. The labor unions have this ability. It will always be easy for them to mobilize their membership against certain trends. In the process, labor conflicts will become more intense. To be sure, this is intensity without a specific direction and thus without clear alignments. On both sides, there will be support and there will be dropouts. To comprehend the peculiarities of this process, one ought perhaps to look at the history of European agricultural policy more closely, since it offers a perfect example for the success of declining groups through the use of a preponderantly defensive strategy. It is a model which might serve the labor unions in the old nations well.

Even if they are alike in many respects, the differences between individual nations continue to be important. One would hope that the FRG will find the inner strength to exercise greater flexibility than Great Britain is capable of mastering. France suffers from the problem that a socialist government is faced by labor unions which act just as they would under a conservative government. If one looks at the big picture (as Olson does in his book), it is above all the difference between the nations where the defensive labor unions do have a great deal of power to prevent change and those where they do not which is important. In the former, growth will remain difficult to attain while the latter will successfully cope with this decade's great adjustment process. The OECD world will become bigger even as the role of the old nations becomes smaller. This is a result of the altered role played by the labor unions—albeit not the only one.

There is a footnote, however, that must be made. The old industrial nations of the free world are faced with their problems of paralysis and flexibility. These problems are reflected in the actions of the labor unions. The old/new industrial countries of Eastern Europe are faced with problems of a different sort. As before, productivity is the cardinal problem there. There is a great demand to catch up in the welfare sector. In these countries, labor unions are still an expression of a social force for the future. While the labor unions in most of the OECD member countries today are defending a past which is only slowly receding—in part because of the very power they wield—the working population of the communist world embodies the kind of future which the free world has already realized. "Solidarity" thus is a force for change and for the future; but the German printers or metal-workers union has become a force of the past which stands in the way of change.

9473

CSO: 3620/326

## INDUSTRY NEEDS CONTINUED INVESTMENT INCREASES

Copenhagen BERLINGSKE TIDENDE in Danish 28 May 84 p 12

[Editorial: "Business Needs"]

[Text] In its published annual report the Industrial Council noted that a market upswing had now manifested itself in business life in this country. This assessment is further supported by the just published semiannual investment survey from the Danish Bureau of Statistics. According to the survey, company leaders expect an increase in industrial investments of 56 percent from 1983 to 1984, while in the previous survey from last October an increase of only 20 percent was anticipated.

It is vitally important that growth in business investments now dominates the economic recovery. For several years these investments have been at a level that was much too low. If a solid basis is to be created for more jobs in Denmark a substantial expansion of the economic competitive sector is needed, and industry is an important part of that sector. This will require more than doubling the former investment level, a process that in itself will place great demands on economic policy and the financial markets.

The need for a renewal of large portions of Danish business life is also underlined by the surveys of Danish exports and imports that were made by the executive committee of the Economic Council in a discussion outline for the council meeting this week. The surveys show that production in the sector of Danish business that is subject to competition must be regarded as very vulnerable to developments in domestic costs, mainly wage and personnel costs. In general the Danish export sector is not on as high a level of technological development as many people in this country like to think.

Together with the poor future outlook for most of farm animal production, the surveys referred to should lead to serious reflection. Not about how employment might be distributed somewhat differently through a general shortening of work hours or how competitiveness can be further weakened through the introduction of low-wage safeguards, etc. Such proposals are totally out of step with socioeconomic conditions.

Instead there is a clear need for further growth in investments in industry and in other businesses subject to competition. Technological research, development and education must also be promoted. This is the prerequisite for renewal of the business structure

However this entire effort must occur against the background of an improvement in competitiveness. The Industrial Council has estimated that this must lead to a relative drop in Danish wage costs of 25-30 percent during the rest of this decade. If this cannot be done, Danish prosperity cannot be preserved.

6578

CSC: 3613/170

## HOPE WHISPER ELECTRIC CAR TO BE PRODUCED ALSO IN GHANA

Copenhagen BERLINGSKE TIDENDE in Danish 1 Jun 84 Sec III p 3

[Article by Brian Johnck Haure]

[Text] The Hope concern has just signed a contract to deliver 200 Hope Whisper electric cars to Ghana. The order is worth 10 million kroner. In 1986 the electric cars will be produced in Ghana.

Before the assembly line has even started rolling at the Hope concern's new car factory in Hadsund the first 200 electric cars have now been sold to Ghana. The export order is worth 10 million kroner.

Since its debut in Copenhagen's Forum last fall, which was a smashing one in more than one sense, the Hope Whisper electric car has been the subject of heated discussion, with critical Danish engineers questioning the Hope firm's reports of the car's operating economy, range and speed performance. But the Hope concern has firmly rejected this criticism and Hope director Ture Barsoe-Carnfeldt said that everything is now ready for real mass production.

"The assembly lines will start rolling on 18 June at 8 am on the dot," he said and the factory expects to reach 60 percent of its capacity within the first 3 months.

At the same time as the export to Ghana was settled, an agreement was reached concerning having the electric car produced in Ghana under license. This production is expected to start in 1986. Conditions for electric cars are particularly favorable in Ghana because there are big problems with gasoline supply and electric power costs only about 25 percent of the Danish price.

The Hope concern estimates that the car production will create 180 new jobs. The concern has invested around 10 million kroner in developing the electric car but a good deal of the funds came from the state. Recently Hope also acquired the rights to another Danish car project, the Safari car, thus forming a picture of a larger Danish auto production.



Pictures of the unfortunate presentation drive in Forum, where the electric car's first trip ended on the barrier went around the world and in the view of the Hope firm this produced a lot of valuable reports concerning the electric car. "A smashing success," as quick-witted media people later dubbed the event.



The Hope Whisper electric car. Ghana has now purchased 200 and the car will be produced there under license starting in 1986.

6578

CSO: 3613/170



## FIRMS TRADING WITH IRAQ AFFECTED BY EXPORT CREDIT RESTRICTIONS

Copenhagen INFORMATION in Danish 22 May 84 p 4

[Text] Monberg & Thorsen is negotiating for new orders in Iraq, which for a number of years has been the parent company's biggest export market for contractor jobs.

But credit is a problem. As a result of the conflict with Iran the Export Credit Council will guarantee only cash transactions covered by irrevocable credit where Iraq is concerned.

The chairman of the board, director Niels Thorsen, said at the company's stockholder meeting on Monday that they are working on the problem.

At the same time he pointed out that the rise in business and home construction has not yet offset the decline in jobs in some of the parent company's Danish divisions after the jobs connected with the natural gas project peaked.

Industrial operations in the M & T concern, whose conditions, especially in the export market, were improved by the moderation in cost developments and the relatively low interest level in 1983, have noted gains, meanwhile. Niels Thorsen specifically mentioned Codan Rubber. The 50-percent-owned subsidiary, Sadatech, also received an order worth 75 million kroner in connection with maintenance of the electrical distribution system in Jubail Industrial City in Saudi Arabia. Through Danish Arctic Contractors and as a member of Greppo, M & T also participates in a group that has applied for concessions to look for oil and gas in the Danish sector of the North Sea. Niels Thorsen stressed the good job opportunities in this connection.

6578

CSO: 3613/170

## ECONOMIC ADVISERS COUNCIL WARNS OF CONTINUED AGRICULTURAL CRISIS

Copenhagen BERLINGSKE TIDENDE in Danish 29 May 84 Sec III p 8

[Article by Brian Johnck Haure]

[Text] The latest report from the Council of Economic Advisers reads like a death sentence for the Danish cattle and dairy sector which it says will be forced to cut 30-40,000 jobs.

According to the report from the Council of Economic Advisers, agriculture cannot expect gains in a single area up to 1990. The economic advisers think milk production will be hardest hit.

With constant real prices for milk production until 1990, the Danish dairy herds are expected to diminish by 255,000 milk cows. If real prices decline by just 2 percent (which was the case last year), as many as 400,000 cows would have to go. But the social consequences would also be substantial. Employment can be expected to decline by 30-40,000 jobs and the decline in net foreign exchange revenue could be as large as 4 billion kroner annually.

The report goes into the entire complex problem of joint agricultural policy interventions in detail. Today there is not a single area where there is not a surplus of agricultural production in EC and EC sources said in a comment on Danish problems specifically that interventions in grain production can be expected within the next 2 or 3 years. Thus agriculture's worst fears could become a reality. The proposals to set a ceiling on the areas that can be sown could be carried out, which would make it illegal to cultivate land for the first time in the history of Danish agriculture. On the international level, however, this phenomenon is not unknown. American farmers had to live with conditions like this for a number of years in the 1970's.

This leaves Danish agriculture only one "production valve," namely pork. Even though prospects in that area are not exactly rosy either, the economic advisers are confident that Danish pork producers will continue to lead in the efficiency race.

Agriculture concedes that EC's intervention in milk production will inevitably lead to lower incomes for milk producers. Since a large part of the most indebted farms are in the milk sector, this development cannot help having serious social consequences. It is estimated that the present number of 32,500 milk producers could be cut in half. A corresponding number of families will feel the social consequences; many of them will have nothing but supplementary assistance to fall back on. We are talking here of the very weakest agricultural group. The 4-5,000 who are worst off have already used all the debt amnesty and interest subsidy provisions which, as it turns out, simply prolonged the agony. Many are saddled with the so-called "balloon loan," the drought loan from the catastrophic harvest in 1976 on which no interest or principal had to be paid for the first 5 years, after which the payments simply exploded. Falling property assessments made it impossible for these people to continue borrowing money after the beginning of 1980. To this was added the decline in EC's real prices in the milk sector, the drought in 1983, which was especially catastrophic in the Jutland cattle districts, and as if all the evil forces were conspiring against milk producers, the EC quotas that now deprive producers of the last functioning safety valve: increased efficiency and higher production. To put it very simply, the message of the economic advisers to this group is really this: turn the key.

Therefore the economic advisers support agriculture's proposal of a pension system for older farmers and a termination arrangement for the hardest-hit milk producers, possibly in connection with contract agreements.

"This should be a serious warning for the government and Folketing. The responsible politicians must simply stand by their responsibilities toward such a hard-hit group and I give my complete support to the economic advisers' proposal of a pension and termination arrangement to ward off the worst social effects, but also to make the situation easier for future milk producers so that they are not cut off from expanding production for all time," said the chairman of the Danish Agricultural Society, H. O. A. Kjeldsen, who is also a member of the Economic Council.

"But I do not think it will be that bad. We have seen countless doomsday prophecies from professors and other learned men through the years and the signs are alarming. But milk producers are very hard-pressed and I feel very strongly that we must ward off the worst social consequences of this unfortunate situation."

In 1976-77 the economic advisers predicted the approximate situation in which agriculture finds itself today and specifically warned against the very big loans taken out by farmers. At that time farmers reacted very sharply to the negative economic advisers, who were called "pessimists."

Unfortunately, agriculture's optimism was quite out of step with reality. The next few years will show who is more in step with future reality--the economic advisers or the farmers themselves.

## Agricultural Crisis Has Just Begun

The gloomy forecast in the Council of Economic Advisers' report is confirmed by the number of payment defaults, the highest on record. Forced auctions are being replaced by settlement and debt arrangements.

"We are terribly busy. Judging by the number of cases and their nature, there is no basis for any kind of optimism in the agricultural sector," said lawyer Erik Astrup of Varde who referred to the start of investment activity in new farm outbuildings which has been noted recently.

In cooperation with the small farmers' associations in Ribe County, Erik Astrup has specialized in aid to crisis-stricken farms and he now notes a sharp rise in the number of cases. In fact he has received so many applications lately that he is afraid it will be necessary to turn down future cases.

Lawyer Erik Astrup works in the middle of one of the hardest-hit areas. The credit associations confirm that there are major problems in Viborg, Ringkøbing and Ribe counties, but things look generally bad in all areas of central and western Jutland. However the Jutland Credit Association, which has mortgages on a large part of the farms that have problems, does not expect any explosive rise in the number of forced auctions. Office manager Thor Kleif of the Jutland Credit Association said:

"We do not anticipate many forced auctions despite the gravity of the situation. This is because farm creditors, primarily financial institutions and farm supply firms, have learned enough from this lengthy crisis to know that more money can be obtained through settlements and debt depreciation. Many creditors have had painful experiences with forced auctions where there is a big chance that the entire claim will be lost."

Although many farms have solved their problems through negotiation, there are more defaults on payments than ever before. Some 3,000 farms still owe 111 million kroner on their December 1983 payments to the Jutland Credit Association alone, which is an increase from the level of previous years. The reason why the credit association does not call the situation critical is partly that general loans have risen somewhat and partly that many of the arrears can be expected to come in through settlement arrangements.

Thor Kleif confirmed the assumption that things look bleakest for cattle farmers. The Jutland Credit Association cannot see this tendency directly in the statistics, but the credit association's local representatives share this view.

### Farm Figures

The weakest 10 percent with an average negative income before taxes of 72,000 kroner will be the first to go under. The income figures below include paid income from nonfarm sources. A large proportion of the milk

producers who will have to leave the branch in the years ahead can be found in this group. But exactly half of all farms are in such poor shape that they have a negative rate of return on investment!

Average per Farm in 1982-83  
(From the Lowest to the Highest Tenth)

<u>Tenth</u>	<u>Pre-Tax Income</u> <u>in Thousands</u>	<u>Debt Percentage</u>	<u>Rate of Return</u> <u>on Investment</u>
1.	-72	100	-1
2.	42	76	-2
3.	80	56	-3
4.	107	49	-1
5.	130	43	-1
6.	153	49	1
7.	183	48	4
8.	217	50	6
9.	269	45	8
10.	460	46	13

6578

CS0: 3613/170

## FINANCE MINISTER TRYING TO WEAN INDUSTRY FROM SUBSIDIES

Copenhagen BERLINGSKE AFTEN in Danish 1-7 Jun 84 p 6

[Article by Rolf Geckler]

[Text] Minister of Finance Henning Christophersen wants to reduce the billion kroner subsidy to the trades and industries. An item in the national budget which has increased at a higher rate than the other public expenditures. However, the trades and industries will now have to get used to the idea of fending for themselves, says the minister of finance, who finds permanent subsidy schemes dangerous. Henning Christophersen wants to reduce, among other things, ship credits, which constitute the most costly subsidy scheme.

Minister of Finance Henning Christophersen wants to put an end to the many subsidy schemes applying to the trades and industries.

"The private sector will, first and foremost, have to fend for itself," the minister of finance says. "Permanent subsidy schemes for the trades and industries are fundamentally bad."

Since 1981 the costs of subsidies for the trades and industries have increased at a higher rate than the rest of the public expenditures, and, according to "Budget Report 1984," the private sector will, this year, receive nearly 12.4 billion kroner in subsidies and state loans. To this come low-interest credits from the Ship Credit Fund and the Danish Export Financing Fund. Last year, these two loan schemes cost the Central Bank nearly 2 billion kroner.

However, if it is up to Henning Christophersen, the private sector will have to get used to the idea that the government will become less generous in the coming years.

"All over Europe, lots of resources have been spent on keeping industries of earlier times alive. As a result, the countries in question have not had those resources available for progressive industries," Henning Christophersen says. He says that the Danish business sector may run the risk of ending up in the same situation unless cutbacks are made in the "traditional subsidy schemes" and the funds are instead spent on research, product development and education.

The statements made by the minister of finance may cause disagreements within the government, where Minister of Industry Ib Stetter does not have the same intentions of cutting back subsidies.

"We do not want to change our basic industrial policy. It has been effective and of invaluable benefit."

#### Disagreement

It is not merely the two ministers who give expression to divergent opinions. The same thing holds true of their civil servants, within the Budget Department as well as the Ministry of Industry. According to some sources, the existing disagreement is so pronounced that a section on the future industrial policy in the budget report of 1983 was omitted at the request of the Ministry of Industry.

This, however, did not prevent the Budget Department from writing a paragraph on the present industrial policy. It said that the subsidies paid by the state to the industrial sector increased from 1.2 billion kroner in 1970-71 to 10.3 billion kroner in 1982-83. Calculations followed which showed that ship financing accounted for 42 percent of the subsidies in 1982-83, while export promotion accounted for 38 percent and product development for only 3 percent.

Minister of Finance Henning Christophersen and the civil servants within the Budget Department were shocked at these figures--and not least at the realization of the small amounts of subsidies that are spent on development of new products and promotion of new technology.

The Ministry of Industry was requested to undertake what one source describes as a redistribution of the funds for industrial subsidies. A concrete proposal was to reduce the amount of loans for regional development and instead use the funds for an extensive technological development program.

#### Carried Out

The proposals are now in the process of being carried out. Minister of Industry Ib Stetter has just presented a bill for abolition of investment loans under the regional development scheme as of 1 January 1985. Ib Stetter bases his proposal on the fact that the drop in interest rates renders the scheme superfluous. On the other hand, he wants to raise the ceiling for investment capital subsidies by 33 million kroner to 115 million kroner. The changes mean annual savings of 106 million kroner. The funds will be transferred to the government's research and development program, which the minister of industry presented earlier in the year.

The purpose of the development program is to grant financial support to specific technological projects, which, when supplemented by the enterprises with their own capital, may be spent on the introduction of new technology. A total of 1.5 billion kroner have been set aside for the program which will run for 4 years. The funds will be granted by way of grants or low-interest loans. The program, which, according to the proposal, will not cause a deterioration in state finances, will be administered by the Technological Council.

The government and the minister of industry, moreover, want to reduce state grants for consultants in urban occupation. An industrial subsidy scheme, which was developed in conjunction with the Marshall Aid program after World War II, the purpose of which was to "raise the productivity within the trades and industries." Under the scheme, which in 1984 cost the state 50 million kroner, industrial and trade organizations and organizations within the trade union movement may obtain grants for consultants. Under the scheme, 445 consultants are employed in approximately 100 different organizations--from the Federation of Danish Industries to the Federation of Trade Unions.

The government wants to reduce the grant in 1987 to 42 million kroner. This means that the number of consultants will have to be reduced to 375.

#### Still More to Come

Considering the vast amounts involved, the savings in these areas are modest. However, the Budget Department wants to look into other and equally costly industrial subsidy schemes, and, as far as WEEKENDAVISEN has learned, the Budget Department will, among other things, be focussing on ship credits. An area which, so far, has been taboo.

"It will, indeed, be possible to reduce gradually the framework of this subsidy scheme," says Minister of Finance Henning Christophersen. "The problem of ship credits is, however, that an entire industry is based on the scheme, and that it may very well become a question of everything or nothing."

The financing of ships is the industrial support scheme which is the most costly and which requires the largest amounts of funds of all industrial support schemes. It absorbs 42 percent of all of the funds earmarked for industrial support and costs the society approximately 2 billion kroner annually. Not to mention losses in conjunction with tax reductions in the case of shares in ships.

In 1983, the Ship Credit Fund granted loans totalling 5.3 billion kroner, and a total of 17.4 billion kroner of bonds are in circulation. The fund grants loans at 7.5 percent, which is possible only because the Central Bank takes over the bonds issued at par. According to its statement of accounts for 1983, this mean "a substantial loss by depreciation of the bonds"--approximately 1.5 billion kroner. Or well over 1 billion kroner less than the previous year, as a result of the drop in interest rates.

However, the fact that it is a question of vast amounts of money, even by the standards of the Central Bank, is illustrated by the fact that the bank's holdings of shares and bonds of 14.7 billion kroner in 1983 yielded a profit due to appreciation in the amount of approximately 2.6 billion kroner.

Central Bank Governor Erik Hoffmeyer, who has previously been critical of the ship credit scheme, says:





"It is claimed that, through the industrial subsidy scheme, we preserve workplaces. That is nonsense. We delay the liquidation of obsolete workplaces. That is all."

One civil servant added: The system is completely unsuited for leading Denmark into the world of tomorrow."

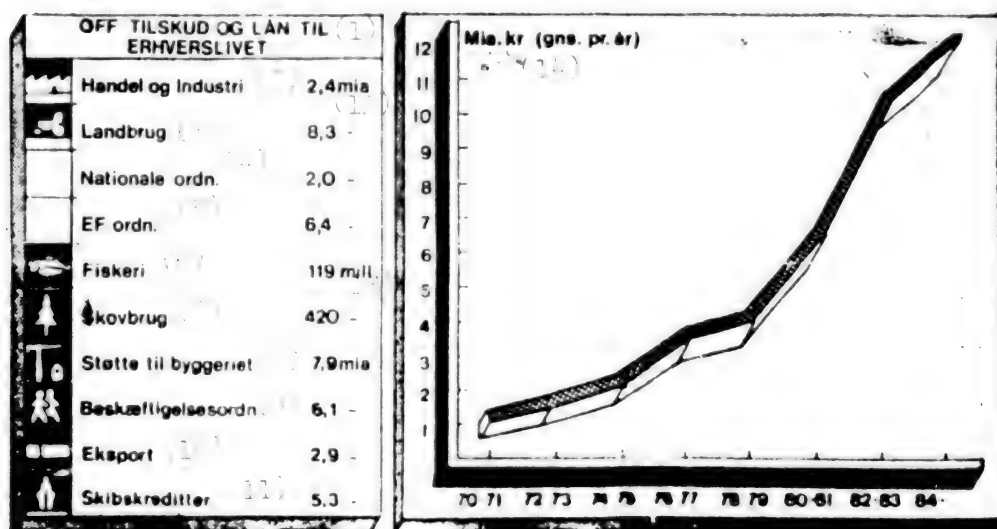
On this, the deputy chairman of the Danish Metalworkers' Union, Max Behrman, said:

"It is not possible today to say what is a good industry in 10 years. It is no use declaring some branches dead or dying. We cannot afford that. On the contrary, we need to preserve and expand what we have got."

This is a view shared by many industrial organizations and their members. If for no other reason than because they receive large-scale state subsidies.

However, it is also a view which is being indirectly contradicted in the Independent Economic Advisory Council's most recent report. Its report deals with the myth that Denmark is an advanced high technology industrial society.

Regardless whether it receives state subsidies or not, the Danish industrial sector is falling behind when it comes to recent development in new technology, the Independent Economic Advisory Council writes in its report.



Key:

- (1) State subsidies and loans to trades and industries
- (2) Commerce and Industry
- (3) Agriculture
- (4) National schemes
- (5) EC schemes
- (6) Fishing
- (7) Forestry
- (8) Building and construction subsidies
- (9) Employment subsidies
- (10) Export
- (11) Ship credits
- (12) Billions
- (13) Millions
- (14) Billions kroner (annual average)

CSO: 4-17/17

## PRIVATE INSTITUTE FORECASTS SLOWED GROWTH IN BLOC TRADE

Helsinki HELSINGIN SANOMAT in Finnish 6 Jun 84 p 27

[Unsigned article: "ETLA's Forecast for 1984-1988: Exports to East Mark Time, Exports to West Grow"]

[Text] ETLA [Research Institute for Trade and Industry] predicts that Finland's economic growth for 1984-1988 will continue even faster than in other industrial countries.

However, the increase in total production will remain smaller--about 3 percent--than in the past 5-year period of 1979-1983, when total production grew, on the average, a good 4 percent annually.

In its account "Outlooks for Development of National Economy 1984-1988" published on Tuesday, ETLA explains that production growth will decrease because, among other reasons, Finland's exports to the East are not growing at all and because domestic demand can no longer be raised through economic policy due to the structural deficit of the state economy.

Exports to the West are not free of problems, either, although it is assumed they will grow a dazzling 5.5 percent yearly. Most of the export products are from areas whose markets grow rather slowly. In Finland the share of exports in high technology is low, compared internationally--perhaps only about one-tenth.

According to ETLA the reason for the modest share of export products in rapidly growing fields--like high technology--may lie in the fact that emphasis on research and product development in Finnish business firms is appreciably less than in other Nordic countries, for example.

The balance of foreign trade will improve; for instance, the surplus of the exchange balance (as a percent of the gross national product) will rise to the zero limit by 1988. Last year the deficit of the exchange balance was 5.3 billion marks, or 2 percent in relation to the value of the gross national product.

The demand for labor will increase considerably during the 5-year period, but because the labor supply will also grow, the unemployment level will drop just a little. ETLA estimates that the unemployment level was 6.1 percent.

We should be able to lower inflation to the level of competitor countries by the end of next year, according to ETLA.

Exports and investments ought to be raised, in ETLA's opinion, instead of dealing with employment merely by increasing consumption. ETLA's justification for this proposal is that the level of investment in Finland has been--and will continue to be--higher, on the average, than in other OECD countries, because of which economic growth in Finland is faster than in OECD countries.

Economic Development 1979-1983 and ETLA's Forecast 1984-1988  
Change of Quantity (percent) on Average Annually

	<u>1979-1983</u>	<u>1984-1988</u>
GNP to importer price	4.1	3
Agriculture	4.4	-1
Forestry	1	2
Industry	5.3	3.5
Construction	2.8	3
Service trades	3.8	3
Export of goods	4.5	4
--exports to West	2.8	5.5
--exports to East	9.1	0
Investments	4.7	2.5
Consumption	3.3	2.5
--private	3.1	2.5
--public	3.8	3

12327

CSO: 3617/177

## STUDY SHOWS PESSIMISM ABOUT RISE IN STANDARDS OF LIVING

Paris LES ECHOS in French 18 May 84 p 2

[Text] The French have never been so pessimistic as they are about the change in their own standard of living in the past 10 years. This is the principal bit of information to emerge from the annual inquiry by the Research Center for Study and Observation of Living Conditions (CREDOC)\*--an official organization that is part of Planning--involving a representative sampling of the national population.

The inquiry, which took place in November and December 1983, the results of which have just been made public, reveals moreover that the French have very little affection for the 35-hour week (LES ECHOS, 17 May).

On the other hand, improvement of their purchasing power seems to them to be preferable to extended free time. This is not a new option, but it receives more votes in 1983: 62 percent against 55 percent in 1982.

The balance sheet that the French present on the change in their standard of living at the end of last year has darkened since 1982. Nearly one in two Frenchmen (48 percent) in fact believe it "is not doing as well."

The number of those who think their living conditions are going to deteriorate is increasing: 40 percent in 1983 against 38 percent in 1982 and 29 percent in 1981. As for their 1984 standard of living, 50 percent of the French people believed at the end of 1983 that it would remain stable, 35 percent thought it was going to decline and 15 percent predicted a rise (these "optimistic" predictions diminish strongly with age).

A majority of Frenchmen say they are forced regularly to impose on themselves restrictions in certain categories of their budgets. But there again, they are less numerous since 1981, when the proportion was the highest: 66 percent in 1981, 64 percent in 1982 and 62 percent in 1983 (the majority of those expressing this complaint are women, who naturally have smaller incomes).

As for purchasing habits, the French now seem to be behaving more carefully: for three quarters of them, the purchase of a durable goods item (television, household appliances, etc.) "is made after deep reflection."

\*142 rue du Chevaleret, 75013 Paris

Questioned on ways to reduce the length of the work week, the French opt mainly for "days off to extend the weekends or make extra days off" (one third of the wage-earners questioned).

The option of a half day off per week, which had priority in 1982 (35 percent) seems to have been chosen less this year (29 percent). The modality "one less hour of work per day in order to have a better day" is cited by 17 percent of the (stable) population, but it is clearly preferred by women aged 25 to 39. It is also the women in that age category who most often mention "a half day off per week" (36 percent).

As for the various possibilities for improving working time, one third of the French wish for "a greater flexibility in organizing the work by the week or the month" followed by "the relaxing of schedules taking into account family constraints" (21 percent); "greater possibility of part-time work" (18 percent) or "greater flexibility in organizing work by the year" (14 percent).

Finally, a small minority opt for "a possibility of long unpaid leaves" (5.7 percent).

At the same time, the proportion of those for whom "it would be impossible to balance their budgets without the family benefits" goes from 15 percent in 1981 to 16 percent in 1982 and 20 percent in 1983.

As for modalities that would make it possible to increase the effectiveness of aid for families, the most desired solution is still the increase of cash aid, although, from 1978 to 1983, this option is no longer desired by the majority (respectively 55.5 percent and 45.2 percent of the French); on the other hand, there are more who desire increased public equipment (21.2 percent in 1978 to 26.6 percent in 1983).

8946

CSO: 3519/369

## STATISTICAL INSTITUTE'S SCENARIOS FOR 1987-88 UNEMPLOYMENT

Paris LES ECHOS in French 14 May 84 p 4

[Text] At the request of the Senate's department of legislative studies, INSEE [National Institute of Statistics and Economic Studies], continuing its DMS [expansion unknown] pattern, has just completed four scenarios for 1987-1988. All of the scenarios studied have two fundamental characteristics in common: the hypothesis of a reduction in the dollar in 1985 (the variant consisting of maintaining the present parity carried with it such modifications that it appeared "too delicate"); in the course of the period under study, France's net foreign indebtedness "must, at the very least, stop growing," and the franc is maintained in the European monetary system.

Moreover, the four projections presuppose an increase in social contributions (employers' and wage-earners') for unemployment insurance and supplementary schemes, and a direct levy on household income for the remaining categories.

Scenario No 1: the hypotheses selected are moderation of foreign growth, a reduction in income tax, a slight increase in the purchasing power of wage-earners and stabilization of external indebtedness. France's growth rate is then 1.2 percent in 1985, compared to 2 percent on the average for our partners.

If that indeed turns out to be the case, in 1987-1988 the French growth rate will be at 2 percent (against 2.9 percent abroad), inflation will be brought back to 3.4 percent (against 4.3 percent among our partners), compulsory levies will have been increased by 1.2 percent in 5 years, some 840,000 jobs will have been lost, and the number of unemployed will be close to 2.85 million. This hypothesis is the least unpleasant one, the least difficult to support.

Scenario No 2: here, foreign growth is moderate (as in the preceding scenario), but the income tax is raised by 7.1 percent of disposable household income in 1988. For this reason, wage-earners' purchasing power does not increase.

These hypotheses, which are far from brilliant, bring with them a diminution in French growth (1.8 percent against 2.9 percent for our neighbors) and a slow-down in inflation, which will be brought back down to 3 percent per year. The franc is stabilized, but compulsory levies increase 1.6 percent in 5 years, while unemployment is established at 2.87 million persons, with 890,000 jobs lost.



The balance of current payments becomes largely favorable with a reserve ratio for our trade of 103.5 percent in 1988.

Scenario No 3, which is based on increased recourse to part-time labor, accompanied by a revival of consumption and an increased purchasing power: if this comes about, foreign growth is moderate and investments in industry and housing are revived in France, Finally, the reduction in working hours is accelerated.

In those circumstances, French growth is established at 2.5 percent per year (instead of 2.9 percent in other countries), the franc loses ground in relation to the other EMS [European Monetary System] currencies, and inflation remains clearly stronger than for our partners (5.5 percent against 4.3 percent). Unemployment is almost stabilized (2.5 million without jobs in 1988), and compulsory levies do not increase by much: between 0.5 and 1 percent between 1984 and 1988.

Finally, some 135,000 jobs are gained if the proportion of part-time workers reaches 10 percent of the total number of jobs, whereas a lack of development of part-time work would bring with it the disappearance of 385,000 jobs.

Scenario No 4: it picks up the same internal hypotheses as scenario No 2, but integrates them into an international environment that is appreciably more unfavorable. Thus, our partners' growth is restricted to 1.5 percent a year.

In that case, the results are quite contrasting. French growth is limited to an annual 1.4 percent, and inflation is brought back down to 2.5 percent per year, the same rate as in Germany. Compulsory levies are then increased by 1.8 point of the GDP between 1984 and 1988.

Moreover--and this is the big black mark for this scenario, 950,000 jobs disappear in 5 years and unemployment is established at some 2.91 million persons.

As for the franc, it holds on very well vis-a-vis the German mark.

8946

CSO: 3519/369

## COUNTRY'S SHIPYARDS REBOUNDING AFTER RESTRUCTURING

Stockholm DAGENS NYHETER in Swedish 28 May 84 p 8

[Article by Olle Rossander]

[Text] West European shipyards are fighting for their lives. Shipyard cranes all around Europe are standing idle, and the giant building docks where the supertankers of the 1970's were welded together are empty.

The need for new ships has declined dramatically, but most important to European shipyards is the fact that the orders which do exist are going to the new shipbuilding nations: South Korea, Brazil, and Singapore. Even Japan is finding it difficult to hold its own against the new competitors.

Ten years ago, the big shipbuilding nations of Europe were getting over one-third of all new orders for ships. Today barely one-sixth of all new orders go to West Europe, and most experts believe that Europe's share of the market will be down to 10 percent within a few years.

## Government Subsidies

With the help of huge government subsidies, low wages, and good quality, South Korea has increased its share of the market from 5 to 20 percent in 5 years. And its shipbuilding industry is going to grow even more.

The head of one of South Korea's biggest shipyards said last year: "The industrialized countries ought to allow the nations that are now building up their economies to take over the shipbuilding industry." The official policy is to take up to 30 percent of the market.

Several other developing countries, such as Brazil, Taiwan, and China, are making a big effort to build up their own shipbuilding industries.

Japan, which developed the world's largest shipbuilding industry during the 1960's and 1970's to the accompaniment of sharp protests from the industrialized countries, does not intend to lose one bit of its 50-percent market share.

This means that there will not be much left over for the big traditional shipbuilding nations: Sweden, Great Britain, France, and the FRG, for example.

## Europe Down

Between 1982 and 1983 alone, West Europe's share of the shipbuilding market dropped from 29 to 16 percent of all deliveries. At the same time, South Korea increased its share from 6 to 19 percent, while Japan increased its share of the market from 40 to 48 percent. The trend is continuing.

By means of interest subsidies, subsidized losses, and various kinds of back-door government supports, the new shipbuilding nations are fighting for their industries. A West German study shows that all shipbuilding nations have some kind of industrial subsidies for their shipyards, but despite very ambitious research work, it is not possible to determine exactly how big the subsidies are or even what constitutes a subsidy.

An order that attracted much attention was that from the Japanese shipowning firm of Sanko for 110 medium-sized bulk carriers to be built in Japanese shipyards. Competitors view that order as a veiled subsidy that was put together with the help of banks and government institutions. The Sanko order also resulted in a miniboom as other shipowners ordered equal numbers of modern ships to keep up with the competition. And overcapacity was made worse again.

## Artificial

Behind the decision by the new shipbuilding nations to invest billions in government subsidies lie the same good reasons as those that led the West European governments to keep their own shipyards alive by artificial means. A shipyard generates activity and jobs far beyond its gates and provides a country not only with export earnings but also with technology and followup investments in a great number of industries.

Construction of a ship provides jobs in everything from steel mills to cabinet-making shops and the electronics industry.

And just as many developing countries regard the shipbuilding industry as an excellent lever for their entire economies, so the shipbuilding slump, which has hit West Europe the hardest, has given the recession a further push.

When shipping was flourishing and the demand for big oil tankers in the early 1970's was rising sharply, there were new investments in many countries.

In Sweden, the government contributed to the building of the Uddevalla Shipyard's giant dock, Kockums expanded to be able to build a supertanker every 40 days, two big shipyards (LISNAVE [Lisbon Shipyard] and SETNAVE [Setubal Shipyard]) were built in Portugal, and all along Europe's coasts, giant gantry cranes went up to handle the heavy lifting that would be required by future super construction jobs. The jobs never came.

## Oil Crisis

The oil crisis made the overcapacity noticeable in a flash. Demand for shipping dropped, and fjords and protected harbors were soon filled with idle ships.

There was the threat of unemployment, and governments, eager for votes, began concentrating on subsidies for shipyards and shipowners.

Shipping firms could order ships at subsidized prices and, in many cases, without putting up a penny as down payment. Overcapacity on the ship market increased, and orders dropped off.

The demand for steel fell because shipyards were ordering less ship plate, and the steel industry, which had expanded to meet the expected demand, entered a slump. It asked for, and got, government subsidies.

When the demand for steel declined, scrap prices fell and more older ships were kept in service--the vicious circle was complete.

Billions in tax money went into shipping, shipyards, and the steel industry, but subsidies do not save jobs in the long run unless the market improves.

#### Hit Hard

Sweden, the world's second-largest shipbuilding nation during the 1960's and 1970's, was hit first and hardest.

In less than 10 years, the number of shipyard employees in Sweden dropped by 60 percent: from 25,000 to 9,000. Shipbuilding activity in Goteborg and Landskrona has been given up entirely. Now hard times are ahead for the other West European shipyards, which had cut back by "only" 20 to 40 percent during the same period.

Several of the big shipyards in the rest of Europe have order books that are as good as empty. The yards are working at perhaps 50 or 75 percent of their capacity and are being forced to accept orders at a dead loss just to get any orders at all.

French shipyards are expected to lay off another 5,000 of their 22,000 employees this year. In the FRG, 9,000 shipyard workers have lost their jobs, and a big shipyard in Bremen recently closed down completely.

In Great Britain, several small shipyards have closed, and more severe cutbacks are ahead.

Compared to the rest of Europe, the Swedish Shipyard's lengthy slump looks very good.

#### Optimism

The cutbacks have been made, and there is great optimism concerning what remains.

The three remaining big shipyards in Sweden have far thicker order books than their competitors.

The Uddevalla Shipyard has jobs through the middle of 1985, and employment at Kockums in Malmo is safe until 1987.

Arendal in Goteborg has stopped building ships altogether to become one of the world's leading firms in the field of oil rigs. It has enough work to keep it busy until at least the middle of 1986.

The Swedish Shipyard had the "advantage" of being hit first and thereby forced into earlier cutbacks and conversion to new and more complex products. It is too early to say whether it will be successful, but after eating up billions of kronor in recent years and transferring its loss-making construction jobs to a separate firm (Zenit), the group is now showing a profit.

It will be harder for the other shipyards in Europe to follow that same path out of the slump.

11798

CSO: 3650/217

## INVESTIGATION INTO ZIRAAT BANKASI IRREGULARITIES

Istanbul DUNYA in Turkish 29 May 84 pp 1,7

[Text] An investigation of the Ziraat [Agricultural] Bank's management was requested regarding credit procedures for 4 firms one of which is the Transturk Holding. The report that demanded the investigation on the grounds that an important portion of the credits extended to those firms at various times was not returned and that some procedures were carried out unlawfully, was prepared by a sub-committee of 5 people and was submitted to the KIT [Public Economic Enterprises] Commission of the Turkish Grand National Assembly.

The sub-committee in charge of investigating the Ziraat Bank's accounts and procedures for 1982 consisted of 5 members of parliament who submitted a report compiled from the notes of the investigation at a meeting at which representatives of the Premier's Office Supreme Control Council and of the Treasury and Foreign Trade Advisory Committee were also present.

#### The 4 Deputies' Report

In the report of the sub-committee which consisted of the Kars Deputy Ilhan Akuzum, the Adana Deputy Yilmaz Hocaoglu, the Afyon Deputy Nihat Turker and the Tekirdag Deputy Ahmet Karaveli, the following claims of unlawful procedures related to the credits extended by the Ziraat Bank to the 4 firms, are made word for word:

. A request was made that the investigation which never took place although it was demanded by the Supreme Control Council in their 1981 report regarding the amount of T.L.2 billion 093.3 millions owed to the bank as a result of the conversion into cash of a letter of guarantee for Lybia for \$36,200,000.00 by the Muduroglu Corporation to which it had been given, be initiated as soon as possible by the relevant ministry and that the necessary procedure be followed so the government can solve the matter of the pending debt to the bank.

#### Credits Given to Transturk, Dokusan and Turkmen Kadife

. For the relevant ministry to start an investigation on those responsible for extending credits to the Transturk Holding Corporation although its financial situation was known to be bad and that before a year was over it had become unclear when they would be repaid.

.To open an investigation of those responsible for extending a series of credits to the Dokusan Istanbul Textile Industry and Trade Corporation and thus granting an ever increasing amount of credits despite the fact that the bank was aware of its financial situation being bad.

. To open an investigation of those who endangered the collection of money due to the bank by extending credits to the Turkmen Kadife-Turkmenli Textile And Trade Corporation which did not show any satisfactory activities, had no clear success on the market, attempted to complete its installations with foreign capital, whose capacity to meet its existing mor payments was doubtful, while the repayment to the bank of the credits extended appeared to be dubious from the start.

Bank Authorities:"There Were no Irregularities in The Procedures."

A high official of the bank whose views were sought in connection with the credit procedures about which the sub-commission requested an investigation pointed out that:"A previous investigation was made" of the Muduroglu Corporation which is included in the report but that "it remained inconclusive;" he also stated that the credit procedures discussed in the report regarding the 4 firms "were business done by the bank according to form" and he contented himself with noting that the sub-committee "might be expressing a wish which corresponded to their own evaluation."

It is expected that the investigation requested in the report of the sub-committee will be dealt with at the TBMM [Turkish Grand National Assembly] KIT Committee meeting which will take place in the 1st week of June. The KIT commission will give its final verdict after scrutinizing the report and collecting the necessary information from the parties concerned.

#### A Stable Policy Was Not Followed

On the other hand, the sub-committee report pointed out that to this day the Ziraat Bank had been "unable to follow a consistent policy." The following is said in the report in this connection:

"To this day the bank has been unable to follow a sensible, stable policy and it has taken the route of becoming involved in haphazard joint ventures and in emergency cases such as salvaging firms from difficult situations. For this reason the proportion of the profit secured from participating in paid-in capital has remained at a low level. If the bank is to take part in sound ventures it must not invest in firms which have bad financial and administrative organizations, which are working at a loss, which shoulder credit burdens they cannot sustain, which while still in the founding stage are far from having the financial potential to realize their investments."

It was also emphasized in the report that for those who had this kind of problems in the current participations:" the right of preemption in the course of capital increases should not be applicable."

## PREPARATIONS COMPLETE FOR ISTANBUL STOCK EXCHANGE

Istanbul TERCUMAN in Turkish 29 May 84 p 6

[Text] The President of the Stock-Market Association Professor Ismail Turk disclosed that the preparations related to the founding and the functioning of the Istanbul Stock Exchange had been completed and could be submitted to the Cabinet in order to be finalized. In the declarations he made to TERCUMAN Ismail Turk said that if the draft is approved by the Council of Ministers the Stock Exchange will begin to function with a new administration which will become effective in September 1984 within the framework of the new regulations. Professor Ismail Turk pointed out that in the preparations for the new Stock Exchange administration, the administrations of the New York, Zurich, Paris, Frankfurt and Brussels Stock Exchanges and the principles according to which they functioned were taken into consideration, and he said that 2 members of the Association were carrying out a study in the Far East to evaluate Stock Exchange models in those countries.

## Technical Assistance from the OECD

Turk pointed out that in the preparations for the Stock Exchange the views and suggestions of public organizations related to it were taken into account and that together with the work done with Treasury Advisers and Central Bank experts, an agreement for technical assistance was also made with OECD.

Ismail Turk who said that Stock Exchanges were the barometers of the economy, added that: "The varied duties and responsibilities of Stock Exchanges point to the important developments in the economy and contribute to economic recovery." The President of the Stock-Market Association pointed out that stock exchanges had 4 important functions, saying that: "Stock exchanges are the most progressive form of market. They are the barometers of the economy. It is possible to determine a revival or a stagnation in the economy by looking at the activity of stock exchanges. If there is no progress in the activities of stock exchanges this means stagnation in the economy."

## Savings And Securities

Turk emphasized that stock exchange procedures played an important role in determining sound ways to appreciate savings and said that: "Stock exchanges will give the firms which have a place in the economy the possibility to progress in time. As a matter of fact bond and share certificates constitute the firms' securities of a different kind. The fact that those securities will be subject every day



to purchases and sales in the stock exchanges will lead to changes in the firms' financial structure."

Ismail Turk also pointed out that stock exchanges had the important task of spreading the purchase and sale of securities among a wide range of the population and he added: "If share certificates are disseminated among the people, industrial property will be divided among small savings owners. In this way economic democracy and widespread prosperity can be achieved throughout the nation."

12278

CSO: 3554/236

## OZAL'S BAGHDAD TALKS FOCUS ON ECONOMICS, OIL, GULF WAR

Istanbul CUMHURİYET in Turkish 30 May 84 pp 1,11

/Text/ BAGHDAD-- Prime Minister Turgut Ozal's three-day visit to Iraq ends today. Yesterday he was received by Iraq's number-one man and President of the Command Council of the Revolution, Saddam Hussein. In a bilateral discussion lasting nearly an hour and a half, the two reportedly talked especially about "ending the war" and about "the impartial position Turkey has taken towards the war."

In stating Turkey's views, Ozal told Hussein: "We have not come here to mediate in any way between you and Iran. However, we did visit Iran too and got the Iranians' views. We feel that ending the war would be best for the region."

Saddam Hussein reportedly emphasized the following points in the private meeting: "I want you to know that we are under intensive international pressure to lift the blockade in the Gulf. However, we are not considering doing so at this time. We are prepared to purchase weapons from all over the world. We shall purchase them and continue purchasing them from every country except Israel. Blockading the Gulf is the only way to bring Iran to its knees. This is why we are not considering lifting the blockade. You understand that we cannot determine whose ships are entering the war zone. So, unfortunate though it may be, it is inevitable that ships entering the zone below the blockade are bombed..."

Apart from the war, Hussein and Ozal mutually stated that they would promote efforts to increase the volume of trade between Iraq and Turkey.

The second and third days of Ozal's trip were spent on intense economic talks. Iraqi First Deputy Prime Minister Taha Yasin Ramadan made the following remarks in a speech he gave on the second day at the meeting of the Joint Economic Commission: "We are in an extraordinary situation right now. We are prepared

to purchase anything you wish to sell us. However, we can only purchase goods from you on credit at this time. After the war, we are hoping to make significant strides toward industrialization. In so doing, we are determined to accord priority to Turkish firms. We are considering having Turkish firms perform services. So please show us understanding now."

Prime Minister Ozal reportedly gave this reply to Taha Yasin's observations in closed session: "The historical ties and economic relations between Turkey and Iraq would naturally bring Turkey into this sort of position. After the war, we too will be giving Turkish firms doing business here in Iraq all kinds of state guarantees. The Turkish firms operating here are good, strong firms."

Following these mutual exchanges, the "major economic issue" between Iraq and Turkey was tied to a decision. It was decided that 70 percent of the goods Turkey sold Iraq would be sold on credit. However, the understanding was that Iraq would purchase one billion dollars worth of goods in order to be able to obtain 70 percent on credit. Thus, Iraq will be purchasing approximately one billion dollars worth of goods from Turkey by June of 1985, with 700 million dollars worth of this being sold on credit.

The Turkish Central Bank will pay exporters immediately in Turkish Lira for goods they sell. However, the dollar value of the goods is to be collected from Iraq within one year. International market interest rates will be added to the dollar amount Iraq owes.

In accordance with the agreement made with Iraq, Iraq is purchasing wheat, sugar, and iron and steel products that Turkey has available for export. The agreement also covers various foodstuffs, textiles and some semi-finished goods.

As for projects to be undertaken jointly with Iraq, realization of these was left for the Joint Commission meetings to be held in Ankara. Joint projects in connection with such things as a cigarette factory, an LPG (liquefied petroleum gas) pipeline, a power station, and the oil pipeline will be reviewed. Consensus will be reached on the cost of these projects, and construction will ensue.

## Second Oil Pipeline

A second oil pipeline and a railway project for transporting liquid gas were also reportedly discussed in the talks between the delegations of the two countries.

In the statement Ozal gave Anatolia News Agency regarding his visit, he said that Turkey was the best country to mediate an end to the Iran-Iraq war.

Yesterday afternoon, Prime Minister Ozal also spoke with Turkish businessmen working in Iraq. He toured some mosques and placed a wreath on the monument to war heroes. He and his delegation return to Ankara late tonight.

12279

CSO: 3554/235

# ECONOMIC REFORM STRESSES AUSTERITY FIRST, UPSWING LATER

Bonn VORWAERTS in German 26 Apr 84 p 17

[Article by Gerd Hoehler: "Economic Miracle" Starts Out With High Prices"]

[Text] Turkish Minister President Turgut Ozal wants his nation to undergo a drastic market economy cure. The population is presently making sacrifices. The economic miracle and the upswing are promised for some later date.

Turgut Ozal was still basking in his victory in the local elections but just a few days later the Turkish service station operators had to adjust their pumps. The price for gasoline and diesel fuel went up for the third time since Christmas. But it was not only the car owners who had to get used to higher prices but the Turkish housewives as well. The price of sugar was raised by 30 percent after the communal elections; the price of tea climbed between 34 and 54 percent and that of cooking oil by 40 percent. And since the end of March, the toll on the Bosphorus Bridge in Istanbul has been up from 200 to 400 lira.

## Minimum Wage for 2 Million Turks

Ozal did try to soften the shock of the second major increase in prices since his assumption of power in December by raising the minimum wage. But that raise was modest at best. The state wage commission pegged it at 25,525 lira as of 1 April. This leaves a single worker with net earnings of 16,197 lira or just about DM 132 per month.

Still two million of the 16 million Turks working—one out of eight, in other words—have to make do on this minimum wage. The Turk-Is labor union calculates that a minimum wage earner must work 5 hours and 19 minutes for two pounds of beans and 17 hours and 23 minutes for two pounds of meat.

Not only minimum wages but even the wages of skilled workers and white collar workers, which are set by government "arbitrators," are presently below the level of 1964 in terms of purchasing power. According to Turk-Is calculations, a worker wanting to satisfy his minimum requirement of

3,500 calories needs to spend 9,313 liras. Other indispensable expenses such as rent and so forth raise the minimum amount needed to live on to 35,191 liras, according to labor union figures.

It comes as no surprise that Turk-Is is in no position to make these demands stick. At the most recent round of wage negotiations in late February, the government "arbitration" commission swept the union demand for a 40 percent wage hike aside and set the actual figure for all Turkish workers at 25 percent instead. According to the latest estimates, the current inflation rate in Turkey stands at just under 50 percent. The loss in purchasing power has to be accepted by the Turkish population. Strikes are outlawed by order of the government arbitration commission.

Thurut Ozal never made a secret of the fact that his countrymen would have to make sacrifices when he presented himself as economic miracle worker during the election campaign. As tight as their belts already were, they would have to tighten them still further, he said. As far as it goes, the minister president has stuck to his promises. It remains to be seen whether and when the promised economic miracle for the masses will really come to pass.

#### Government Orders Wage Cuts

This will not happen without investment, new jobs and growth, Ozal says. Once before, in 1981/82, he succeeded in reducing inflation from more than 100 percent to a relatively mild 30 percent with the help of a strict monetarist policy. Price increases were drastically curbed while wages were not increased at all any more. For the time being, the blue and white collar workers were made to foot the bill. It is not much different this time around.

There is something to be said for Ozal's firm belief that the dirigistic-ally-oriented economy of the country would have to undergo a drastic market economy cure sooner or later, if Turkey is to get its financial house in order and to solve its monumental social problems. An inflation rate of 50 or even 100 percent; the cumbersome state-owned concerns which are continuously operating at a loss and whose reason for existence seems not to be to turn out goods but to provide jobs for the otherwise unemployed; the rigidly regulated credit institutions and the fossilized state bureaucracy—none of all this can be said to qualify as a foundation upon which Turkey might build for a brighter economic future.

Needless, the austerity policy ordered some time ago by the International Monetary Fund and now revived by Ozal is no cure-all. This has been shown more than once over the past several years in the nations of the Third World where this particular policy led straight into chaos. An austerity policy can only work in Turkey, if it is combined with a

sound social policy unless the nation is not to be subjected to what might be termed a collective hunger strike.

Even if Ozal succeeds—as he may—in getting the Turkish business community to make new investments on the strength of his program and if he can bring foreign investors into the country and thus create new jobs, it would still be a dangerous mistake to believe that the working population of the country could be created out of its just deserts for any length of time. Those millions of liras which the work force is currently lending to business in the form of foregoing pay increases and living with higher prices will have to be repaid some time—with interest and compounded interest.

#### Economic Growth Is Not Enough

For another thing, private industry—as Ozal well knows—cannot bring about the promised economic miracle all by itself. Just under one-third of Turkey's present 50-million population is 15 years old or younger and the rate of population growth stands at 2.5 percent. Each year now, about one-half million young people looking for jobs enter the labor market. To provide jobs for all of them, the economy would have to achieve annual growth rates of almost 10 percent—which is a mirage at best. Even Ozal does not think the growth rate for 1984 will be over four percent. Under the circumstances, the long-range prospects for Turkey are none too promising unless a courageous population policy is instituted which breaks with a great many taboos.

Whether this kind of policy can in fact be implemented will depend in the final analysis on what socio-political programs Ozal manages to develop. At any rate, as long as there is no unemployment insurance in Turkey and in many instances no old-age insurance either, having plenty of children is considered—and not without justice—as a kind of social insurance. And for all that, the trend is up. Time was when four children seemed enough to provide a person with security in his old age; in view of the rising jobless rates that number has since increased to six.

TOP  
JAN: 5/12/84

## GOVERNMENT, LABOR PARTY AGREE ON OVERSEAS ROLE FOR STATOIL

Oslo AFTENPOSTEN in Norwegian 8 Jun 84 p 38

[Article by Morten Malmø: "Government Parties and Labor Party Agree; Ready for Mission Abroad for Statoil"]

[Text] The government parties and Labor Party agree that Statoil is to gain access to participation in exploration for oil and gas in other countries, and that the company should also be able to take on development projects abroad. The government parties think that this activity should take place via a subsidiary company. On the other hand, the Labor Party wants Statoil to establish a subsidiary company in each of the countries the company establishes itself in.

This comes from the Statoil recommendation from the Storting Energy and Industry Committee, which is to be debated in the Storting today. The government parties request in the committee recommendation that the Oil and Energy Ministry return to the Storting with a total assessment of organization of the foreign involvement of Norwegian oil companies. The Labor Party also thinks that Statoil, Hydro and Saga can collaborate regarding the mission abroad.

Statoil earlier related that the company was interested in taking part also in the refining and marketing of petroleum products abroad. A unanimous committee says that "note has been made of this," but wants to evaluate the question when Statoil presents a concrete proposal to the Oil and Energy Ministry.

It will still be Statoil which is to be in charge of the sale of State duty oil, and there is political agreement regarding this. There is also agreement regarding organization of gas sales. A negotiation committee is to be set up between Norwegian companies for sales from fields in which at least two of them are owners. The committee is to be headed up by Statoil.

8985

CSO: 3639/122



## ENERGY MINISTER URGES STEPPED-UP GAS FIELD DEVELOPMENT

Oslo AFTENPOSTEN in Norwegian 8 Jun 84 p 5

[Article by Morten Malmø: "Not Necessarily So That Big Gas Finds Will Be Developed"]

[Text] "The sale of gas is not unproblematic. The uncertainty and the desire for flexibility dictate that we must differentiate more strongly between exploration and development. It is not necessarily so that large gas finds can be developed as a matter of course. Exploration work must be planned so that we have opportunities for choice when new situations arise," Oil and Energy Minister Kåre Kristiansen emphasized yesterday in the Storting. Yesterday evening the Storting gave the green light for stepping up exploration for oil and gas in the north and in the North Sea, as the government has proposed.

The government advocates in its so-called "Exploration Report" that a number of blocks in the North Sea, in addition to 12 blocks on the Tromsø Ice Floe and 5 blocks on Haltenbanken [Halten Bank], ought to be announced now for the summer in the 9th rights round. In addition, the government has proposed that the Nordland II, Troms I Northwest and Bjørnøya South areas--62 blocks in all--be announced next spring. A large number of North Sea blocks, including the attractive 34/8 block, are also to be announced in the 10th rights round.

The government parties and the Progressive Party supported this plan during yesterday's debate, while spokespersons from the Labor Party did not want quite so fast an exploration pace south of Stad. The Labor Party's Inger Lise Gjørsv referred to the fact that the Oil Directorate had cautioned against too many attractive blocks south of Stad being parceled out now, so that the oil companies do not lose the incentive to take part in exploration north of Stad in later rights rounds. Gjørsv referred in addition to the fact that there is a large disproportion between the authorities' own reported capacity and the activity level on the shelf. "We want to strongly caution against this plan for exploration south of Stad, just as the Oil Directorate has done. This plan seems to be based on a short-term 'after us the deluge' philosophy," Inger Lise Gjørsv said, who is the spokesperson for this cause in the Storting. However, she pointed out that the Labor Party supports the exploration activity being planned in the north. However, the Liberal Party's and Socialist Left Party's spokespersons, Mons Espelid and Hanna Kvanmo, called the

government's exploration plan far more strongly to account. Mrs. Kvanmo submitted a proposal that blocks are not to be parceled out in the 10th rights round before the 9th rights round has been evaluated. The Liberal Party voted for this.

Oil and Energy Minister Kåre Kristiansen emphasized that the plan for the announcement of new blocks in the North Sea is not too expansive, and he stressed that the plan in the short term will maintain the level of exploration and that stepping up would first follow later on. Kristiansen received support of his viewpoint both from Storting Energy and Industry Committee Chairman Reidar Due (Center Party) and Conservative Party Chief Spokesman Arnljot Norwich. The latter emphasized that it is first and foremost through an active opening-up policy that freedom of action will be ensured for planning for more longterm development of the oil industry.

Kristiansen hinted that the Møre I and Troms II fields will be evaluated with a view toward announcing them in the 10th rights rounds, after certain rights analyses have been made. Jens Marcussen (Progressive Party) wanted the Storting already at this time to announce these areas in the 10th rights rounds, and he believed that local area development politicians and environment champions had "stuck sticks into the spokes of the wheels of these fields."

8985

CS0: 3639/122

## GOVERNMENT, LABOR PARTY AGREE ON OIL POLICY COMPROMISE

Oslo AFTENPOSTEN in Norwegian 7 Jun 84 p 4

[Article by Morten Malmø: "Labor Party Retreat Rescued Statoil Compromise"]

[Text] The debate regarding the Statoil case in the Storting will nevertheless not result in the fact that the Labor Party will go back on the previously entered-into compromise on Statoil between the government parties and the Labor Party. Labor Party Parliamentary Leader Gro Harlem Brundtland stepped in yesterday and prevented a total split regarding Statoil, such as the situation was Tuesday evening and yesterday morning. Prime Minister Kåre Willoch said in a commentary to AFTENPOSTEN, "I never had any belief that any of the parties would back out of the compromise."

On Tuesday evening Labor Party Industrial Policy Spokesman Finn Kristensen stated that the Labor Party thought that the proposal the government parties had united around would be in conflict with the earlier entered-into Statoil compromise. The Labor Party would for this reason no longer feel itself bound by the compromise which had been entered into before Easter. The government parties already on Tuesday evening gave a clear message that they were standing firm on the main lines of the government's position as far as the distribution of oil revenues between the State and Statoil is concerned.

Kristensen's move is interpreted in political circles as an attempt to move the government parties more in the direction of the Labor Party, but meetings on Tuesday night and yesterday showed that the government parties' stand was not to be shaken. Kristensen's move rather made the government parties become more welded together in this matter. Not just the Conservative Party, but also the Christian People's Party and the Center Party held strongly to the government's position.

Then yesterday morning Labor Party Parliamentary Leader Gro Harlem Brundtland came to Conservative Party Parliamentary Leader Jo Benkow's office and announced that the Labor Party will nevertheless stick by the Statoil compromise. The party would be content to dissent against the disputed points of the Statoil recommendation from the Statoil Energy and Industry Committee. The recommendation was submitted yesterday evening.

Prime Minister Kåre Willoch makes this comment to AFTENPOSTEN regarding the latest development: "I never had any belief that any of the parties would back out of the Statoil compromise we agreed to. This implies precisely that we agree that there are certain points the government and Labor Party disagree on."

Regarding the reason for the fact that the Labor Party is now nevertheless sticking by the Statoil compromise, the party's industrial policy spokesman, Finn Kristensen, says:

"On Tuesday evening I expressed myself to the press regarding a hypothetical situation, i.e., that the government parties' position would represent a break with the Statoil compromise. I wanted also to give a signal that the Labor Party takes the compromise seriously. Later we made a closer evaluation of the non-socialist position."

The drama around this matter thus dissolved yesterday afternoon, and the Storting Energy and Industry Committee could set to work on final work on the Statoil recommendation. Those mainly responsible for this are Storting Industry Committee Chairman Reidar Due (Center Party), Finn Kristensen (Labor Party), Svein Alsaker (Christian People's Party), and the spokesman for Statoil's cause, Arnljot Norwich (Conservative Party). So, in the recommendation the government parties will insist on the fact that the total distribution of oil revenues between Statoil and the State is to be as the government proposed in its Statoil report, a position which the Labor Party disagrees with. On the other hand, there is agreement in the committee that the specific distribution between Statoil and the State in the Heimdal, Oseberg, Troll, Gullfaks and Sleipner fields is to wait until the fall and be based on a Storting report from the government. The Statoil case is being debated in the Storting tomorrow, on the Storting's last work day before the summer vacation.

8985  
CSO: 3639/122

END